

Carter County Financial Policies And Procedure Manual



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Revision Schedule

Updates and Revisions

<u>Revision</u>	<u>Date Approved</u>	<u>Section Revised</u>
Signature Sheet Added	3/31/04	
Add Revision Sheet	3/31/04	
Authorized Signer (Hwy)	3/31/04	Reqs & POs
Update Legal Ref.	3/31/04	Reqs & POs
Update Flow Chart	3/31/04	Reqs & POs
Updated Bid Limits (5K)	2/4/04	Reqs & POs
Updated Bid Limit (5K)	2/4/04	Purchasing
Updated Bid Limit (5 K)	3/31/04	Purchasing
Changed School Limit	3/31/04	Purchasing
Updated Bid Limit (5 K)	2/4/04	Purchasing
Added Ex. To Sect 3.56	3/31/04	Purchasing
Added Debt Re-funding	3/31/04	Debt
Added Outside Agency	3/31/04	Budget
Added Budget Notice	3/31/04	Budget
Updated Meals & Inc.	8/25/04	Travel
Updated Mileage Rate	8/25/04	Travel
Signing Auth. To Deputy	8/25/04	Req & POs
Issue ó Response Time	8/25/04	Req & POs
Updated ó Fax Bids	8/25/04	Req & POs ó 3.435
Updated General Req	8/25/04	Req & POs ó 3.441
Updated Bid Selection	8/25/04	Purchasing ó 3.454
Added Change Orders	8/25/04	Purchasing ó 3.58
Updated Claims	8/25/04	Purchasing ó 3.61
Budget Amendment	11/16/04	Budget
Fixed Assets ó Dep. Sch.	11/16/04	Fixed Assets
Travel Policy	4/4/05	Travel
Authorized Signer	6/13/05	Reqs & POs
Terminated Checklist	8/29/05	Misc
Asset Management	8/29/05	Purchasing
Cell Phone	8/29/05	Telephone
Bids ó Faxed	2/23/06	Purchasing 3.435
Authorized Signers	10/17/06	Reqs & POs
Bid Limit	7/13/07	Purchasing 1.2; through 3.413
Job Description	8/7/07	Office Clerk & Director
Debt	3/3/08	Per Capita Limits
Fixed Assets	5/5/08	\$10,000 amount
Travel Policy	2/2/09	Cost saving measures
Personnel Changes	7/7/10	Director of Schools
Purchasing Authority	7/7/10	Delete: Williams, Hicks, Smith,
Purchasing Authority	7/7/10	Add: Ellis, Taylor, Winters, Miller
Purchasing Authority	7/7/10	Delete Jackson, Buckles
Purchasing Authority	7/7/10	Add Lyons
Credit Card Holders	7/7/10	Delete Williams, Hicks, Renfro
Credit Card Holders	7/7/10	Add Ellis, Taylor
Personnel Changes	9/29/10	Delete Holder, Pearman, McKinney
Personnel Changes	9/29/10	Add Humphrey, Sisk, Hicks
Purchasing Authority	9/29/10	Delete: Holder

Purchasing Authority	9/29/10	Add: Humphrey, Worley
Credit Card Holders	9/29/10	Delete Holder
Credit Card Holders	9/29/10	Add Humphrey
Grid Addendum	3/2/11	Director of Finance Job Description
Director of Finance	4/6/11	Organizational Structure Chart
Delete Jerome Kitchens	4/6/11	List of Authorizes Signers
Add Purchase of Used or Secondhand Goods	4/6/11	Purchasing Policies for Carter County
Replace Jerome Kitchens With Ingrid Deloach	4/6/11	List of Credit Card Holders
Change Contact	6/1/11	Travel Policy Section G
Added Email Policy	9/7/11	Email Policy
Add Deputy Director	9/7/11	Organizational Structure Chart
Add Christa Byrd	9/7/11	List of Authorized Signers
Debt Management Policy	12/7/11	Replaced Debt Policy with Debt Management
Added Internal Control	12/7/11	Internal Control Policy
Added School Budget Amendment Policy	12/7/11	Budget Amendment Policy
P/T and F/T County Employee Timesheets	2/1/12	Internal Control Policy
Amend Section E to Reflect state and Fed	3/7/12	Travel Policy
Amend Sections F & G to Reflect Finance Dept.	6/6/12	Travel Policy
Director of Schools & Hierarchy	8/1/12	Organizational Structure
Add Debbie Street	8/1/12	Purchase Requisition Procedures
Remove Dr. Shirley Ellis & Add Mike Miller	8/1/12	Purchase Requisition Procedures
Remove Jim Strickland & Replace w/Betty Bradley	8/1/12	Purchase Requisition Procedures
Change School Dept. Cardholders	8/1/12	Policy for Use of Credit Cards
School Dept Travel	5/1/13	Revised Travel Policy to include Schools
School Dept Travel	11/6/13	Travel Policy Section P
Quote Limit	11/6/13	Purchasing Policy
Credit Card Rewards	2/5/14	Credit Card Application & Procedure

INTRODUCTION

PURPOSE

The purpose of this manual is to provide a guide for county departments and employees regarding all policies and procedures.

DISTRIBUTION

This manual will be distributed to all members of the County Commission, all county departments, and employees involved in areas covered by this manual.

REVISIONS

This manual is to serve as a permanent, up-to-date guide of all approved Financial Policies and Procedures. As additions and revisions are approved, the added sections or revised pages will be forwarded to each individual for updating the manual.

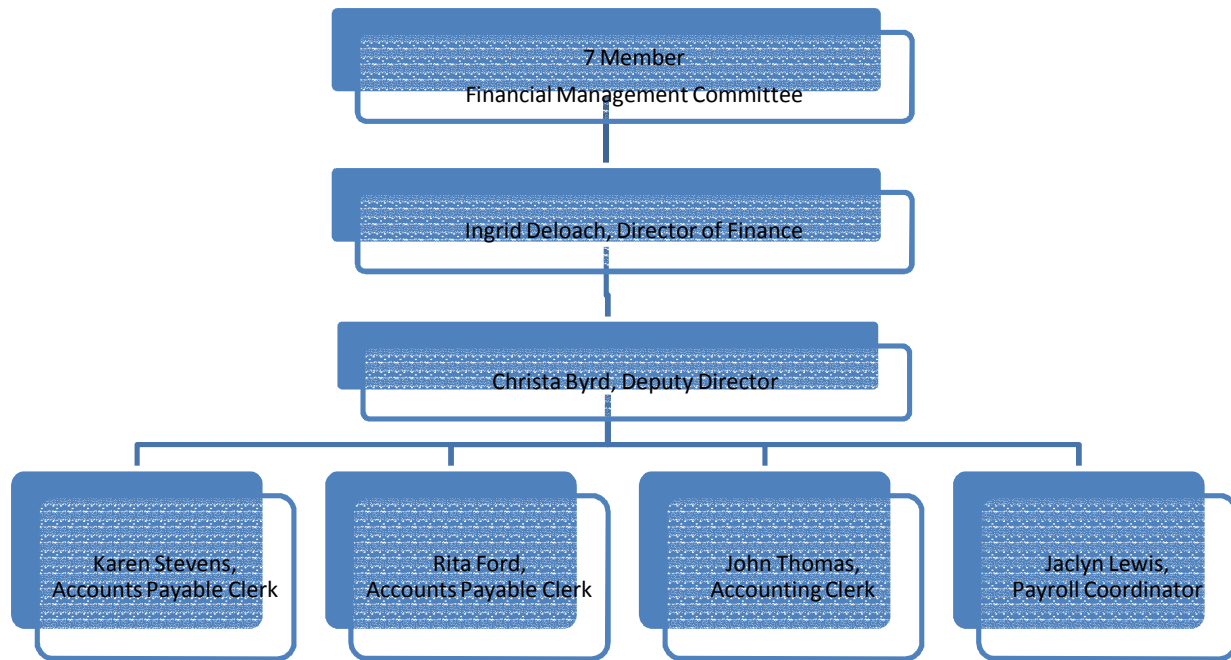
OBJECTIVES

To establish purchasing policies, rules, and regulations that are consistent with and act as a supplement to the Tennessee Code Annotated (TCA), where applicable, to assure full and free competition as is consistent with the procurement of the required supplies and/or services necessary for continuous and efficient county operations.

ORGANIZATIONAL STRUCTURE

1. County Financial Management

Members of Committee Appointed by County Commission <ul style="list-style-type: none"> É Bobbie Gouge-Dietz É Ray Lyons, Chairman É Charles VonCannon É Danny Ward, Vice Chairman 	Members of Committee Because of Position Held <ul style="list-style-type: none"> É Leon Humphrey, Mayor É Roger Colbaugh, Highway Superintendent É Dr. Kevin Ward, Director of Schools
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The financial management committee shall establish and approve policies, procedures, and regulations for implementing a sound and efficient financial system for administering the funds of the county. The director shall oversee the operation of the department and be responsible for implementation of the policies of the Financial Management Committee.

**DIRECTOR OF FINANCE
CARTER COUNTY, TENNESSEE****DEFINITION**

Director of Finance serves as County Purchasing Agent and ex officio secretary of the Financial Management Committee. As a financial expert, the Director of Finance, has the responsibility for the areas including but not limited to: Accounting, Budgeting, Purchasing, Accounts Payable, Payroll, Insurance/Risk Management, Cash Management, Report Preparation, Fixed Asset Accounting, Grant and Contract Administration, for the various funds, departments and offices of Carter County, Tennessee and other Government Agencies as approved by the County Commission.

The Director of Finance will work with and coordinate the county finances for approximately twelve elected or appointed department heads, the Board of Education, and the elected county commission, any other responsibilities as assigned by the Financial Management Committee, and will provide a variety of routine and complex supervisory and administrative works.

PURPOSE

The Director of Finance oversees the operation of the finance department of Carter County administering the finances of all funds handled by the County Trustee. This position will be responsible for implementing the County Financial Management System of 1981 and will manage the centralized department of finance for Carter County, Tennessee.

SUPERVISION RECEIVED

The Finance Director will work under the direction of the Carter County Financial Management Committee, and will be responsible to the Carter County Financial Management Committee for performing the duties and responsibilities as defined by state law and policies as adopted by the committee.

SUPERVISION EXERCISED

The Director of Finance is responsible for the direct and indirect supervision of staff. Supervise the following:

- Governmental accounting and payroll functions
- Purchasing function
- Cash management
- The preparation and dissemination of monthly financial reports
- Access to printed and electronic files containing sensitive information which must be protected under the provisions of the Privacy Act and other applicable laws and regulations
- Security of all computer systems utilized by the Finance Department

DUTIES AND AREAS OF RESPONSIBILITY

A. Accounting

1. Submits monthly reports to County Commission and Officials.
2. Assists in year-end closing and retention of historical reports.
3. Accounts for all activities by fund.
4. Responsible for accounting and financial reporting in accordance with generally accepted accounting principles (GAAP) under standards established by the Governmental Accounting Standard Board (GASB).
5. Complies with requirements of State of Tennessee Comptroller of the Treasury.
6. Assists auditors in completion and review of the annual financial report for submission to County Commission.
7. Prepares all depreciation schedules and adjusting entries for landfill enterprise fund accounting.

B. Budgeting

1. Preparation of forms and calendar.
2. Preparation and submittal of forms and data to departments to initiate budget process.
3. Works with budget committee in establishing guidelines.
4. Compiles information received from departments in budget format.
5. Calculates all revenues ô expected in current year ô projected in budget year.
6. Presents information to budget committee in budget form with summary fund analysis.
7. Attends budget meetings and prepares minutes.
8. Works with committee and departments to balance budget and present to County Commission.
9. Prepares required budget legal notices.
10. Prepares all resolutions, reports, etc. for final budget approval by County Commission.
11. Prepares budget amendments as required during fiscal year and submits to County Commission for approval at monthly meeting.
12. Monitors expenditure budgets.
13. Makes sure the county complies with all requirements of Financial Management Act relating to date specific deadlines for the budget process.

C. Purchasing

1. Responsible for all legal requirements and boiler plate related to formal bids.
2. Insures compliance with County Purchasing Procedures and State Law.
3. Provides draft of legal notice, general bid specifications, detail bid specifications, and bid form to purchasing assistant for processing.
4. Delivers legal notices to department heads. Advises them on most economic manner to advertise.
5. Schedules bid dates and opens bids in public, making sure to comply with State Law.
6. Signs all requisitions and purchase orders being sure they comply with all county policies, contracts and budget availability.
7. Works with architects and engineers on acceptance of bids and administration of construction projects.
8. Responsible for annual surplus property auction.
9. Prepares annual and semiannual requirement bids for various supplies, materials and items used by all Carter County Departments on a regular basis.
10. Presents all formal bids to County Commission for approval.
11. Other purchasing activity as required.

D. Accounts Payable

1. Establishes procedures and schedules for processing and maintenance of official records relating to invoices processed in accordance with T.C.A. 5-21-115.
2. Pre-Audits invoices for all funds. Deputy Director pre-audits invoices as directed.
3. Reviews and signs all disbursement warrants for all funds.
4. Ensures that all payments comply with procedures, law and budget availability.
5. Ensures that all payable documents are maintained and available as required by State Law.

E. Payroll

1. Establishes and maintains a payroll clearing account upon which all checks are issued in accordance with T.C.A. 5-21-1 17.
2. Advises payroll clerks and makes decisions related to payroll schedules, policies and procedures.
3. Knowledgeable of requirements of all laws and procedures pertaining to FICA, State Retirement, Health and Supplemental Insurance, Workers Compensation, Unemployment Compensation, Tax Shelters, Section 125, Withholding Taxes, etc.
4. Responsible for record keeping and other activities relating to the requirements of the Fair Labor Standards Act, Family Medical Leave Act, etc.
5. Ensures that the Payroll Account is reconciled on a monthly basis and that all deposits are made timely.
6. Establishes procedures and maintains security of a direct deposit system for payroll on an elective basis.

F. Insurance/Risk Management

1. Prepares necessary bid specifications for insurance coverages on a scheduled basis.
2. Works with various insurance agents in administration of the county's insurance programs for General Government and the Carter County Board of Education.
3. Establishes report forms and maintains records of all accidents and losses.
4. The Director of Finance is the main contact with all carriers in processing of claims for GL, Auto, Workers Compensation, Property, Law Enforcement, etc.
5. Maintains records of all claims and lawsuits to ensure closure.
6. Maintains records of all vehicles, contractors equipment, buildings and contents covered by various insurance policies, updates as required.
7. Oversight of all activities relating to the State of Tennessee Local Government Health Insurance Plan. Responsible for all correspondence to Commission and Employees relating to premium and coverage changes.
8. Responsible for activities related to Life Insurance Program provided for all employees.
9. Maintains summary of insurance coverages by fiscal year.
10. Obtains required performance and honesty bonds for Office of Director of Finance employees and the Director of Finance.

G. Cash Management

1. Establishes records and forms for management of cash balances for each individual fund.
2. Monitors daily cash balance by fund.
3. Establishes records for maintaining balance of investments per fund and allocation of earned interest revenue on monthly basis.
4. Advises Trustee on cash to be invested or withdrawn on a per fund basis.
5. Projects cash needs and determine cash flow based on major expenditure dates such as payroll, debt service, etc.
6. Advises accounts receivable clerk on distribution of various receipts and preparation of receivable warrants. Reviews and signs all receivable warrants.

H. Report Preparation

1. Prepares annual report of Debt Service Requirements.
2. Maintains summary report of Hotel/Motel Tax Revenue and Expenditures by fiscal year.
3. Maintains monthly summary of sales tax by location and distribution and gas tax receipts for analysis and budget projections.
4. Maintains summary report of Carter County Waterline Incentive Program with approved projects and funding by fiscal year.
5. Maintains summary of expenditures by fiscal year by district relating to Grant Program.
6. Insures that all State Department of Education Reports are filed timely.
7. Maintains annual salary increase comparison by budget year and employee category.
8. Reviews report of purchases in excess of \$10,000 and submits to Financial Management Committee at each monthly meeting.

9. Maintains detail summary of budget amendments for verification with accounting records.
10. Prepares miscellaneous reports as required by Department Heads, Commissioners and citizens at various times.

I. Fixed Asset Accounting

1. Responsible for drafting policy and maintenance of official records relating to county's assets of land, buildings, vehicles, and equipment.
2. Responsible for planning and implementation of requirements of Governmental Accounting Standards Board Statement No. 34 as it pertains to fixed assets.
3. Maintains file for titles of all vehicles excluding school board.

J. Grant and Contract Administration and Reporting

1. Responsible for maintenance of Carter County's official contract files in accordance with FMC policy and procedures.
2. Prepares monthly, quarterly, or annual financial reports and/or invoices as required by various federal and state contracts and grants.
3. Advises County Commission and County Attorney on contract negotiations and review.
4. Presents all contracts to County Commission for approval.

K. Other Government Agencies

1. 911.
2. Judicial District Drug Task Force.
3. Judicial District Fraud and Economic Crime Fund.
4. Keep Carter County Beautiful.
5. Northeast Tennessee Solid Waste Planning Board.
6. Works with the independent auditors to ensure that the County's financial records are maintained properly and available.

L. General Duties

1. Serves as ex officio secretary of the Financial Management Committee. Responsible for preparation and retention of minutes.
2. Composes and amends policy and procedures as necessary for approval by the Financial Management Committee. Transmits revisions to all departments.
3. Reviews, approves, and retains for safe keeping road construction and road maintenance bonds or irrevocable letters of credit per Carter County Planning Commission Procedures.
4. Oversight of the Underground Storage Tank Remediation Program at Carter County sites through various Environmental Companies and State of Tennessee Pool.
5. Provides assistance, advice, and research to the County Mayor, Highway Commissioner and Director of Schools on an as needed basis.
6. Complies with all requirements of GENERAL STATE LAW WITH LOCAL OPTION APPLICATION COUNTY FINANCIAL MANAGEMENT SYSTEM OF 1981 , VOLUME 2A-TENNESSEE CODE ANNOTATED (TCA) 5-21-101 through 5-21-129 .
7. Other duties as assigned by the Carter County Financial Management Committee or state law.

8. Attend county meetings needing county or departmental financial data.
9. Consults with all department heads relative to budget requests, funding, expenditures, and account balances.
10. Coordinate the planning and budgeting of capital improvements.
11. Coordinate, plan, and recommend long-term debt financing.
12. Recommend investment policies to the investment committee.

DESIRED MINIMUM QUALIFICATIONS

A. Education and Experience

1. Bachelor of science degree from an accredited college or university with at least eighteen (18) quarter hours or equivalent semester hours in accounting, or
2. Person not having a bachelor of science degree or having a sufficient number of hours in accounting, must have at least two (2) years of acceptable experience in a related position or an equivalent number of other related courses.
3. At least thirty quarter hours or equivalent semester hours of accounting and two (2) years governmental accounting experience and experience in managing governmental funds is preferred, or two (2) years business accounting experience that includes general ledger accounting, budgeting and cash management.

B. Necessary Knowledge, Skills and Abilities

1. Install and maintain a purchasing, payroll, budgeting, accounting, and cash financial arrangement system for the county.
2. Assist other county officials and employees in achieving an efficient financial management system for the county.
3. Authority to hire personnel for the finance department provided the positions are funded in the annual budget and the personnel so hired meet the written job requirements as recommended by the director and approved by the committee.
4. Knowledge of office policy and procedures and of the requirement of GASB and similar agencies.
5. Ability to accurately record and maintain records.
6. Ability to communicate effectively verbally and in writing.
7. Ability to plan, organize, and supervise staff.
8. Skill in operation of listed tools and equipment.

C. Special Requirements

1. Must be bondable for the faithful performance of his duties as director and of the department employees in accordance with the general law for such bonds.
2. Certified Government Financial Manager (CGFM) or Certified Public Accountant (CPA) designation desirable.

D. Tools and Equipment Used

Computer, including word processing, spreadsheet, and data base software; 10 key calculator, phone, copy machine, fax machine.

E. Physical Demands

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is frequently required to sit, and talk or hear; use hands to finger, handle, feel, or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to walk.
3. The employee must occasionally lift and/or move up to 25 pounds.
4. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus.

F. Work Environment

1. The work environment characteristics describe here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. The noise level in the work environment is usually quiet in the office and may be moderately loud at times.
3. The work is usually performed in an office setting that is properly heated, lighted, and ventilated.

G. Other Significant Facts

1. Meets the needs of the public. Consistently communicates and treats the public in a courteous, tactful, and respectful manner. Provides the public with consistent information according to established policies and procedures. Handles conflict and problems in dealing with the public constructively and appropriately.
2. Uses MS Word or comparable word processing software to execute several office automation functions such as storing and retrieving electronic documents and files; activating printers; inserting and deleting text; formatting letters and reports.
3. Uses MS Excel or other comparable spreadsheet software to develop and change spreadsheets in order to graphically display data.
4. Uses MS PowerPoint or other comparable graphics software to develop presentation materials.

**DEPUTY DIRECTOR OF FINANCE
CARTER COUNTY, TENNESSEE****DEFINITION**

The Deputy Director serves as the primary assistant to the Director of Finance. As a financial expert, the Deputy Director of Finance, participates in the daily operations of the finance department including Accounting, Budgeting, Purchasing, Accounts Payable, Payroll, Insurance/Risk Management, Cash Management, Report Preparation, Fixed Asset Accounting, Grant and Contract Administration, for the various funds, departments and offices of Carter County, Tennessee and other Government Agencies as approved by the County Commission. If the Director of Finance is unavailable or unable to perform his/her duties the Deputy Director acts in place of the Director

The Deputy Director of Finance will work with elected or appointed department heads, the Board of Education, and the elected county commission as well as any other responsibilities as assigned by the Financial Director.

PURPOSE

The Deputy Director of Finance provides assistance in the oversight of the operation of the finance department of Carter County aiding in the administration of all funds handled by the County Trustee. This position provides a qualified assistant and a clear chain of command should the Director be unable to serve.

SUPERVISION RECEIVED

The Deputy works under the direction of the Director of Finance and is responsible to the Director for performing the duties and responsibilities as defined by state law and policies as adopted by the committee.

SUPERVISION EXERCISED

The Deputy Director of Finance is responsible for the direct and indirect supervision of staff
Supervise the following:
Accounting, Payroll and Purchasing as directed by the Director.

DUTIES AND AREAS OF RESPONSIBILITY

A. Accounting

1. Prepares monthly reports as requested.
2. Assists in year-end closing and retention of historical report.
3. Assists in Fund Accounting.
4. Assists auditors in completion and review of the annual financial report for submission to County Commission.
5. Assists in the preparation of depreciation schedules and adjusting entries.

B. Budgeting

1. Compiles information received from departments in budget format.
2. Assists in calculation of revenues.
3. Presents information to budget committee.
4. Attends budget meetings.
8. Works with committee and departments to balance budget.
9. Prepares budget amendments as required during fiscal year.
10. Monitors expenditure budgets.

C. Purchasing

1. In the absence of the Director, or as delegated, signs requisitions and purchase orders being sure they comply with all county policies, contracts and budget availability.
2. Other purchasing activity as required.

D. Accounts Payable

1. Assists in the processing and maintenance of official records relating to invoices processed in accordance with T.C.A. 5-21-115.
2. Pre-Audits invoices for funds as directed.
3. Insures that payable documents are maintained and available as required by State Law.

E. Payroll

1. Advises payroll clerks.
2. Knowledgeable of requirements of all laws and procedures pertaining to FICA, State Retirement, Health and Supplemental Insurances, Workers Compensation, Unemployment Compensation, Tax Shelters, Section 125, Withholding Taxes, etc.
3. Assists in record keeping and other activities relating to the requirements of the Fair Labor Standards Act, Family Medical Leave Act, etc.
4. Assists in reconciling payroll.

F. Insurance/Risk Management

1. Works with various insurance agents in administration of the county's insurance programs for General Government and the Carter County Board of Education.
2. Helps to maintain records necessary for protection of County Assets.

G. Cash Management

1. Assists in the management of cash balances for each individual fund.
2. Helps to monitor daily cash balance by fund.
3. Projects cash needs and determine cash flow based on major expenditure dates such as payroll, debt service, etc.
4. Advises accounts receivable clerk on distribution of various receipts and preparation of receivable warrants. Reviews and signs all receivable warrants.

H. Report Preparation

1. Maintains summary of expenditures by fiscal year.
2. Maintains detail summary of budget amendments for verification with accounting records.
3. Prepares miscellaneous reports as required by Department Heads, Commissioners and citizens at various times.

I. Fixed Asset Accounting

1. Helps maintain file for titles of all vehicles excluding school board.

J. Grant and Contract Administration and Reporting

1. Prepares monthly, quarterly, or annual financial reports and/or invoices as required by various federal and state contracts and grants.
2. Advises Director on contract negotiations and review.

K. General Duties

1. Other duties as assigned by the Director.
2. Attend county meetings needing county or departmental financial data.
3. Consults with all department heads relative to budget requests, funding, expenditures, and account balances.
4. Helps to coordinate the planning and budgeting of capital improvements.
5. Helps to coordinate, plan, and recommend long-term debt financing.

DESIRED MINIMUM QUALIFICATIONS**A. Education and Experience**

1. Bachelor's degree from an accredited college or university (preferably in finance, accounting, general business, or related discipline). Master's degree in business related field preferred.
2. Certified Public Accountant license preferred.
3. Two or more years of work experience in finance, accounting, general business, or related field required. Two or more years of supervisory experience preferred.

B. Necessary Knowledge, Skills, and Abilities

1. Working knowledge of purchasing, payroll, budgeting, accounting, and cash management.
2. Assist other county officials and employees in achieving an efficient financial management system for the county.
3. Strong administrative and supervisory skills and a working knowledge of modern business practices.
4. Knowledge of office policy and procedures and of the requirements of GASB and similar agencies.
5. Ability to accurately record and maintain records.
6. Ability to communicate effectively verbally and in writing.
7. Ability to plan, organize, and supervise staff.
8. Skill in operation of listed tools and equipment.

C. Special Requirements

1. Certified Government Financial Manager (CGFM) or Certified Public Accountant (CPA) designation desirable.

D. Tools and Equipment Used

Computer, including word processing, spreadsheet, and data base software; 10 key calculator, phone, copy machine, fax machine.

E. Physical Demands

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is frequently required to sit, and talk or hear; use hands to finger, handle, feel, or operate objects, tools, or controls; and reach with hands and arms. The employee is occasionally required to walk.
3. The employee must occasionally lift and/or move up to 25 pounds.
4. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus.

F. Work Environment

1. The work environment characteristics describe here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. The noise level in the work environment is usually quiet in the office and may be moderately loud at times.
3. The work is usually performed in an office setting that is properly heated, lighted, and ventilated.

G. Other Significant Facts

1. Meets the needs of the public. Consistently communicates and treats the public in a courteous, tactful, and respectful manner. Provides the public with consistent information according to established policies and procedures. Handles conflict and problems in dealing with the public constructively and appropriately.
2. Uses MS Word or comparable word processing software to execute several office automation functions such as storing and retrieving electronic documents and files; activating printers; inserting and deleting text; formatting letters and reports.
3. Uses MS Excel or other comparable spreadsheet software to develop and change spreadsheets in order to graphically display data.
4. Uses MS PowerPoint or other comparable graphics software to develop presentation materials.

JOB DESCRIPTION

Accounting Clerk

The Accounting Clerk is responsible for performing general accounting duties for the following departments:

County General
General Purpose Schools
Federal Projects
Food Service
Highway Commission

DUTIES AND RESPONSIBILITIES:

- Posting to the computerized accounting system for budget amendments, line-item transfers, and general accounting transactions.
- Maintains General Ledger and Chart of Accounts.
- Accounts payable operations.
- Preparation of monthly and special reports.
- Preparation of trial balances.
- Reconciliation of accounting records with Trustee.
- Recommendations to the Finance Director as to needed budget amendments and line-item transfers in the various departmental accounts.
- Monthly and year-end closing of the books.
- IRS Form 1099 preparation.
- As a backup to the Purchasing Unit's responsibility, reviews purchase requisitions and checks against available budget appropriations.
- Maintains paid invoice and voucher files.
- Performs other financial management and administrative duties as assigned.

Working knowledge of governmental accounting principles and reporting standards and state and federal statutes pertaining to finance, accounting, purchasing, employment, and payroll.

Working knowledge of automated accounting systems and various office equipment.

Ability to communicate effectively both verbally and in writing, and to establish and maintain favorable working relationships with the public, fellow employees, Office Holders, and Department Heads.

Effective in interpersonal relations, especially recognizing the importance of the diversity of ideas, culture, races, sexes, and capabilities within the modern work place. Be objective and fair in dealing with others.

EDUCATIONAL/EXPERIENCE REQUIREMENT

- Graduation from a four year college (preferably a degree in Business or Accounting) or at least 6 years of related work experience in accounting.
- Strong working knowledge of computerized accounting systems and Microsoft Office.

JOB DESCRIPTION
Payroll Clerk

Payroll Clerk is responsible for performing payroll duties for the following departments:

County General
General Purpose Schools
Federal Projects
Food Service
Highway Commission

DUTIES AND RESPONSIBILITIES:

- Payroll verification and data entry.
- Maintenance of sick and annual leave balances.
- Calculation and accounting for payroll deduction:
 - Health and other insurance
 - Credit Union
 - Retirement
 - Annuities
 - Garnishments
 - Charities
 - Other withholdings
- Quarterly reports, both Federal and State.
- W-2s.
- Maintaining employee personnel files.
- Payroll distributions.
- Informing Finance Director of changes in laws.
- Provide monthly payroll report to General Accounting Unit.
- Performs other financial management and administrative duties as assigned.

Working knowledge of governmental accounting principles and reporting standards and state and federal statutes pertaining to finance, accounting, purchasing, employment, and payroll.

Working knowledge of automated accounting systems and various office equipment.

Ability to communicate effectively both verbally and in writing, and to establish and maintain favorable working relationships with the public, fellow employees, Office Holders, and Department Heads.

Effective in interpersonal relations, especially recognizing the importance of the diversity of ideas, culture, races, sexes, and capabilities within the modern work place. Be objective and fair in dealing with others.

EDUCATIONAL/EXPERIENCE REQUIREMENT

- Graduation from a four year college (preferably a degree in Business or Accounting) or at least 6 years of related work experience in accounting.
- Strong working knowledge of computerized accounting systems and Microsoft Office.

JOB DESCRIPTION
Accounts Payable Clerk

The Accounts Payable Clerk is responsible for performing accounts payable duties for the following departments:

County General
General Purpose Schools
Federal Projects
Food Service
Highway Commission

DUTIES AND RESPONSIBILITIES:

- Matching incoming vendor invoices with purchase orders, contracts, and receiving documents.
- After a proper match of the above has been made, an accounts payable voucher is prepared and entered into the automated accounting system.
- Completed vouchers are cross checked to verify amounts entered into the computer, and vendor checks are prepared for review and approval by the Finance Director.
- Differences in invoice amounts, receiving documents, and purchase orders are noted and reconciled. Vendors and Department Heads are notified of differences and means for resolution.
- Works with the Purchasing Unit. Expedites delivery of commodities and services.
- Checks incoming invoices for mathematical accuracy before vouchering.
- Reviews invoices for correct quantities, description, prices, and other specifications contained in purchase orders and contracts.
- In coordination with Purchasing Unit, notes items suitable for bulk purchases for cost reduction.
- Performs other financial management and administrative duties as assigned.

Working knowledge of governmental accounting principles and reporting standards and state and federal statutes pertaining to finance, accounting, purchasing, employment, and payroll.

Working knowledge of automated accounting systems and various office equipment.

Ability to communicate effectively both verbally and in writing, and to establish and maintain favorable working relationships with the public, fellow employees, Office Holders, and Department Heads.

Effective in interpersonal relations, especially recognizing the importance of the diversity of ideas, culture, races, sexes, and capabilities within the modern work place. Be objective and fair in dealing with others.

EDUCATIONAL/EXPERIENCE REQUIREMENT

- Graduation from a four year college (preferably a degree in Business or Accounting) or at least 6 years of related work experience in accounting.
- Strong working knowledge of computerized accounting systems and Microsoft Office.

PURCHASING CLERK

The Finance Director serves as the Carter County Purchasing Agent. The Carter County Purchasing Agent is responsible for day to day purchasing functions of the following departments:

County General
General Purpose Schools
Federal Projects
Food Service
Highway Commission

The Purchasing Clerk is also responsible for quality assurance, task assignments, and coordination with other units within the Finance Department, and with other county departments.

Specific unit duties include:

- Review of all requisitions and determination as to proper form, procedural compliance, and approvals.
- Determination as to whether proper budget appropriation is available to complete the acquisition.
- Posting to the computerized automated purchasing system.
- Preparation of purchase orders.
- Routing of approved purchase orders to Office Holders and Department Heads.
- Reconciliation of purchasing records with accounts payable records, and recommendations of adjustments to bring them into balance.
- Maintaining working files of requisitions and purchase orders, purging of old vendor files, and current vendor files.
- Preparation of price trend analysis and reports for various commodity groups.
- Preparation of specifications for Request for Bids and Request for Proposals.
- Evaluation of bid responses and recommendations to the Finance Director.

Supervision of the Central Storeroom Operation, including determining optimum order quantities, stocking levels, loss reduction procedures, receipt of incoming materials and supplies, charge-out procedures and cost distributions to the various department and fund accounts, and pickup and delivery.

MINIMUM QUALIFICATIONS

- Graduation from a four year college (preferably a degree in Business or Accounting) or at least 6 years of related work experience in accounting.
- Strong working knowledge of computerized accounting systems and Microsoft Office.

Finance Office Clerk

Carter County, Tennessee

Definition: The Finance Office Clerk will work in the Finance Department under the direct supervision of the Director of Finance. The clerk will carry out duties as assigned by the Director of Finance.

Purpose: The Finance Office Clerk will assist other employees in the Finance Department in their assigned duties such as prepare, distribute and file purchase orders; answer telephone, make data entry, and other routine office duties as assigned by the Director of Finance.

Supervision Received: Works under the direction of the Director of Finance.

Duties and Responsibilities

A. Primary duties are to assist other employees in the Department of Finance in performance of their assigned duties.

1. Assist Accounts Payable Clerk with preparation, distribution, and filing of purchase orders.
2. Aid in the reconciliation of invoices to purchase orders.
3. Assist in preparation, distribution and filing of vendor checks.

B. General Office duties

1. Filing
2. Answering telephone/recording messages
3. Data entry
4. Other office duties as deemed necessary by the Director of Finance

Minimum Qualifications

A. Education and Experience

1. High School Graduate with (2) two or more years experience in fund accounting, purchase orders, invoices, receiving documents, and automated accounting systems.
2. Relevant Technical Certification or an Associate Degree in Accounting or Business may be substituted for part or all experience.

B. Necessary Knowledge, skills and abilities

1. Ability to communicate effectively verbally and in writing.
2. Ability to accurately record and maintain records.
3. Skills in operation of computer, telephone, copy machine, and other office equipment.

C. Tools and Equipment used

Computer, 10 key calculator, phone, copy machine, fax machine

D. Physical Demands

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is frequently required to sit and talk or hear; use hands to finger, handle, feel or operate objects, tools, or controls; and to reach with hands and arms. The employee is occasionally required to walk.
3. The employee must occasionally lift and/or move up to 25 pounds.
4. Specific vision abilities required by this job include close vision, distance vision, color vision, depth perception, and the ability to adjust focus.

E. Work Environment

1. The work environment characteristics describe here are representative of those an employee encounters while performing the essential function of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. The noise level in the work environment is usually quiet in the office and at times may be moderately loud.
3. The work is usually performed in an office setting that is properly heated, lighted and ventilated.

F. Other Significant Facts

1. Consistently communicates and treats the public in a courteous, tactful, and respectful manner. Provides the public with consistent information according to established policies and procedures.
2. Uses appropriate computer software such as Microsoft Office or equivalent.
3. Uses office automation such as printers, copiers, fax machines, and postage machines.

Code of Ethics

In my role as an employee at Carter County, I acknowledge that it is my responsibility and that I will adhere to and advocate the following principles governing professional and ethical conduct:

1. To maintain high moral and ethical standards and to reflect honesty, integrity, reliability and forthrightness in all relationships.
2. To avoid actual or apparent conflicts of interest in personal and professional relationships; and, to immediately inform my immediate supervisor, Financial Management Committee, Division of County Audit, County Mayor, School Board, or County Commission, as appropriate, if I become aware of a situation that could be perceived to be such a conflict.
3. To provide information that is accurate, complete, relevant, timely and understandable; and to maintain a system of controls, the goal of which is to ensure the integrity of financial and other related information, and their appropriate disclosure.
4. To take immediate appropriate corrective action when I become aware of errors or inaccuracies in information previously provided.
5. To comply with all laws, rules, and regulations of federal, county, provincial, and local governments, and other appropriate public regulatory agencies.
6. To act in good faith, responsibly, with due care, competence, and diligence, without misrepresenting nor omitting material facts, nor allowing my independent judgment to be subordinated.
7. To respect the confidentiality of information acquired in the course of my work, and only disclose confidential information when properly authorized or otherwise legally obligated. Further, confidential information acquired in the course of work will not be used for personal advantage.
8. To share important knowledge and maintain relevant skills.
9. To proactively promote ethical behavior as a responsible partner among peers in my work environment.
10. To safeguard and ensure responsible use of and control over all assets and resources employed or entrusted to me.

CARTER COUNTY DEPARTMENT OF FINANCE
REQUISITION AND PURCHASE ORDER PROCEDURES BY DEPARTMENT

I. County General

A. Courthouse Offices:

- É Step 1. Elected Official/Department Heads or Authorized Signers are to approve all requisitions. After approval by Elected Official/Department Head/Authorized Signer forward to Finance Department and give to purchasing agent.
- É Step 2. Department of Finance reviews requisition then drafts Purchase Order, The Finance Director or Deputy Director signs in the space provided on the P.O. verifying fund balance in the requested account line item. The Department of Finance routes the P.O. back to the department head/official. If issues develop the Director of Finance shall contact the Department within 2 working days.

Authorized Signers should be ideally limited to at most 2-3 individuals per department. No PO is to be approved without an Authorized Signer's Signature

List of Authorized Signers:

Bristol, Edrie
Harris, Tracy
Moreland, Melissa
Taylor, Ronnie
Lunceford, Dexter
Parrish, James
Humphrey, Leon
Street, Debbie
Deloach, Ingrid
Byrd, Christa
Lewis, Randal
Gouge, Mary
Blankenship, Johnny
Woodby, Patti
Lyons, Benny
Bowers, Keith, Jr.
Smith, Gary

Blanket P.O.s

Blanket purchase orders will be issued to vendors supplying material on a continuing monthly basis. These orders should only be utilized for items that cost less than \$50 (small items). Blanket POs are commonly utilized for office and cleaning supplies. A specified amount will be placed on the P.O. determined by the elected official or department head and finance director.

EMERGENCY PURCHASES

If an emergency exists during working hours, the department of finance shall be notified and direction received from the Finance Director as to proper steps to be taken. If the emergency occurs when the finance department is closed, every effort should be made to obtain at least three (3) bids (oral or written) and authorization written for an emergency purchase. Then a requisition should be given to the department of finance (the next day) indicating the purchase and a description of the emergency that existed.

II. School Department

A. Schools

- Step 1. Teachers, custodial personnel, or other school employees complete the requisition form and forward to the school principal for approval. The School Principal approves by signing the requisition then forwards to the Director of Schools office. The appropriate supervisor approves requisition then forwards to Finance Director.
- Step 2. Finance Director reviews requisition then drafts Purchase Order. The Finance Director or Deputy Director signs in the space provided on the P.O. verifying fund balance in requested account line item. The P.O. is then forwarded to the appropriate supervisor who routes the P.O. to the vendor. If issues develop, the Director of Finance shall contact the Department within 2 working days.

B. Maintenance

- Step 1. Maintenance Supervisor fills out requisition then forwards it to the Director of Finance.
- Step 2. Finance Director reviews requisition then drafts Purchase Order. The Finance Director or Deputy Director signs in the space provided on the P.O. verifying fund balance in requested account line item. The P.O. is then forwarded to the maintenance supervisor who routes the P.O. to the vendor. If issues develop the Director of Finance shall contact the Department within 2 working days.

Authorized Signers should be ideally limited to at most 2-3 individuals per department. No PO is to be approved without an Authorized Signer's Signature

List of Authorized Signers:

Dr. Kevin Ward
Peggy Campbell
Marissa Potter
Danny McClain
Dr. Jerri Beth Nave
Dr. Carol Whaley
Mike Miller
Sonya Miller
Wayne Sams
Philip Nave
Mickey Taylor
Dan Winters
Creola Miller

Blanket P.O.s

Blanket purchase orders will be issued to vendors supplying material on a continuing monthly basis. These orders should only be utilized for items that cost less than \$50 (small items). Blanket POs are commonly utilized for office and cleaning supplies. A specified amount will be placed on the P.O. determined by the elected official or department head and finance director.

C. Department Heads

- Step 1. All Board of Education Department Heads must fill out a requisition then forward to the Director of Finance.
- Step 2. Finance Director reviews requisition then drafts Purchase Order. The Finance Director or Deputy Director signs in the space provided on the P.O. verifying fund balance in requested account line item. The P.O. is then forwarded to the Department Head. The Department Head routes the P.O. to the Vendor. If issues develop the Director of Finance shall contact the department within 2 working days.

EMERGENCY PURCHASES

If an emergency exists during working hours, the department of finance shall be notified and direction received from the finance director as to the proper steps to be taken. If the emergency occurs when the finance department is closed, every effort should be made to obtain at least three (3) bids (oral or written) and an authorization written for an emergency purchase. Then a requisition should be given to the department of finance (the next day) indicating the purchase and a description of the emergency that existed.

III. Highway Department

- Step 1 Elected Official or Authorized Signers are to approve all requisitions. After approval by Elected Official/Authorized Signer forward to Finance Department and give to Purchasing Agent.
- Step 2. Department of Finance reviews requisition then drafts Purchase Order, The Finance Director or Deputy Director signs in the space provided on the P.O. verifying fund balance in the requested account line item. The Department of Finance routes the P.O. to the department head/official. If any issues the Director of Finance shall contact the Department within 2 working days.

Authorized Signers should be ideally limited to at most 2-3 individuals per department. No PO is to be approved without an Authorized Signer's Signature

List of Authorized Signers:

Roger Colbaugh
Crystal Campbell
Shannon Burchett
Marketta Peters
James Blackburn, Jr.

Blanket P.O.s

Blanket purchase orders will be issued to vendors supplying material on a continuing monthly basis. These orders should only be utilized for items that cost less than \$50 (small items). Blanket POs are commonly utilized for office and cleaning supplies. A specified amount will be placed on the P.O. determined by the elected official or department head and finance director.

EMERGENCY PURCHASES

If an emergency exists during working hours, the Department of Finance shall be notified and direction received from the Finance Director as to the proper steps to be taken. If the emergency occurs when the Finance Department is closed, every effort should be made to obtain at least three (3) bids (oral or written) and an authorization written for an emergency purchase. Then a request for a purchase order should be given to the Department of Finance (the next day) indicating the purchase and a description of the emergency that existed.

Purchasing Flow

Requesting Department

Individual in department has a purchasing need

Completes Purchase Requisition
Noting Qty, Costs, and
Specifications (not brand
preference)

Authorized Signer reviews and approves purchase requisition

Requisition is forwarded to
Finance Department

Finance reviews
purchase req.
and verifies proper approval
and dollar amount

Does dollar amount
require a bid?
\$10,000

Yes

No

Research method to get "best" price

Can we get item in
an upcoming surplus auction?

Can we utilize a state
contracts?

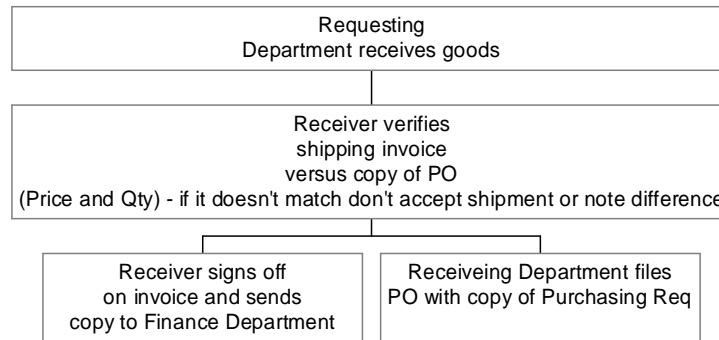
Can we use an existing
purchasing alliance?

Can we bundle an order
with another department to
get a quantity break?

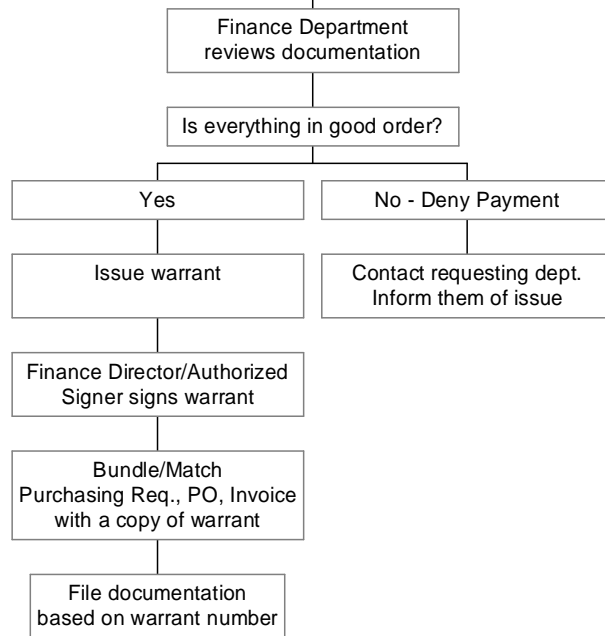
Finance Department



Requesting Department



Finance Department



PURCHASE REQUISITION

Fund _____

Date _____

P.O. # _____

Vendor _____

Vendor # _____

Quantity	Number	Description	Unit Price	Amount
----------	--------	-------------	------------	--------

1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Account

Object

Group

Subfund

Location

Program

Account Number

Account Number

Department Head

00000

000

00

000

0000

000

\$

Approved _____

I. PURCHASING POLICIES FOR CARTER COUNTY

1.0 PURCHASING REGULATIONS

1.1 LEGAL REFERENCES

- CTAS County Government Handbook
- TCA 5-21-118 through 5-21-121
- TCA 5-14-103 through 5-14-206

1.2 PURCHASES LESS THAN \$10,000.

All purchases or sales of less than \$10,000 in amount may be made by the county purchasing agent in the open market without advertised or public notice. However, it is recommended where practical to receive 3 quotes for items over \$2,500. Informal bids will be sought whenever possible. Informal bids may be obtained by telephone, soliciting informal quotations, consulting catalogs, routine calls from representatives, or other methods deemed necessary by the Finance Director. Bid will be awarded to the low, responsive, responsible bidder. Requisitions for items estimated to cost more than \$10,000 shall not be subdivided in order to circumvent the requirement for competitive procurement.

1.3 PURCHASES EXCEEDING \$10,000

Advertised Procurement (Competitive Procurement) All purchases or sales of more than \$10,000 in amount will require advertised Procurement which includes the following essential elements:

1. Preparation for invitation for bids (IFB), containing clear specifications permitting competition.
2. Solicitation of such number of representative bidders as is deemed necessary to assure such full and free competition as is consistent with the procurement of the required supplies or services.
3. Provision of adequate time for submission of bids consistent with size and type of procurement.
4. Posting of the invitation in a place open to the public and inserted at least once in newspaper of county-wide circulation at least five days prior to the bid closing date.
5. Public opening of the bids.
6. Award to the responsible bidder whose bid, conforming to the invitation to bids, will be most advantageous to the county, price and other factors considered.
7. Technical evaluation shall be made by the requisitioner as to the acceptability of the Bids. Such recommendation made by the requisitioner will be evaluated by the Finance Director who will make the final award based on criteria listed in (6) above.

1.4 PURCHASES FROM TENNESSEE STATE CONTRACT PRICING

As authorized by state law, purchases through State of Tennessee contracts and price agreements meet the legal requirements for formal competitive bid and will be exempt from limitations provided in these purchasing policies. Departments should utilize state contract items whenever they provide a savings to the county, taking into consideration availability, location of supplier, delivery time, shipping charges, minimum order, etc., when compared to locally available items.

1.5 SOLE SOURCE PURCHASES

Sole source procurement is any action that limits the purchasing agent to one source of supply. This action can be initiated by a sole source justification letter by specifying a brand name or particular model number without specifying a brand name or particular model number without specifying other equal characteristics, by means of a restrictive specification written around a particular product, or specifying no substitutions on the requisition. The fact that an item has been used satisfactorily is not justification for its procurement to the exclusion of others of similar or equal performance, quality, or design. Nor will personal preference justify purchase of an item to the exclusion of others that would serve the purpose. The determining factor in preparing specifications shall be requirements of the county, not personal preferences of county employees. Sole source justification letters shall accompany the requisition giving reasons justifying the particular source for the procurement. Reasons given must be factual and no opinions, belief, or preferences.

1.6 PURCHASE OF USED OR SECONDHAND GOODS

Purchases of used or secondhand goods, equipment, materials, supplies, or commodities from private individuals and entities without public advertisement and competitive bidding is authorized through T.C.A. §12-3-1003 as long as the general range of value is documented through a listing in a nationally-recognized publication or through an appraisal by a licensed appraiser and the price is not more than 5% higher than the highest value of the documented range.

1.7 CONFLICT OF INTEREST

Purchases of all supplies, materials, equipment, contracts for labor or services, and leases are void if the Finance Director, County Commissioners, or County Officials or other employees have an interest in said purchases, contracts, or leases. The County shall not be liable for any such purchase, contract, or lease.

Tennessee Code Annotated Section 5-21-121 provides that

- (a) The director, purchasing agent, members of the committee, members of the county legislative body, or other officials, employees, or members of the board of education or highway commission shall not be financially interested or have any personal beneficial interest, either directly or indirectly, in the purchase of any supplies, materials or equipment for the county.
- (b) No firm, corporation, partnership, association or individual furnishing any such supplies, materials or equipment, shall give or offer nor shall the director or purchasing agent or

any assistant or employee accept or receive directly or indirectly from any person, firm, corporation, partnership or association to whom any contract may be awarded, by rebate, gift or otherwise, any money or other things of value whatsoever, or any promise, obligation or contract for future reward or compensation

- 1.8 The appropriate director/supervisor/official of each department/office must approve all requisitions and authorize payments for any purchase. Programs under federal regulation require the appropriate director/supervisor have internal control for developing contracts and must specifically recommend approval.
- 1.9 Any interdepartmental or intergovernmental agreements for purchasing or expenditures must be executed in writing prior to creating any financial obligations.

2.0 PURCHASE PROCEDURES

After deciding a need for your department and the availability of budgeted funds, a Requisition should be issued for an outside purchase.

2.1 PURCHASE REQUISITIONS

Whenever items are to be purchased from vendors, a Purchase Requisition shall be completed as shown. Requisitions should be issued two (2) to four (4) weeks plus delivery time before the merchandise is needed. This will allow the Finance Director sufficient time to secure competitive bids and prices. Bids shall be taken on all items or group of items costing more than \$10,000. When practical, phone quotations or bids shall be taken for items costing less than \$10,000.

PURCHASE ORDERS

The Purchase Order is the official acceptance of the bid offer which consummates a contract. At the time the purchase order is mailed, the county enters into a contract with the vendor. Therefore, it is important that bids be carefully considered and purchase orders properly prepared. After the best bid is determined, the Finance director shall prepare purchase order and route as follows:

Duplicate copy (or fax) is issued or mailed to the vendor receiving the order.

Original copy is retained by the Finance Department and placed in an outstanding purchase order file until the merchandise is received and the department notifies Finance Department of receiving their merchandise.

2.21 CHANGES TO PURCHASE ORDERS

Changes to purchase orders shall follow the same procedures as if a new purchase order is being issued. No employee shall have the authority to change a purchase order or contract unless it is approved by the Finance Director in accordance with regular purchasing procedures.

2.22 FOLLOW-UP AND EXPEDITING ORDERS

The Finance Director shall be responsible for follow-ups, expediting of orders, and price discrepancies.

2.23 BLANKET PURCHASE ORDERS

Blanket purchase orders will be issued to vendors supplying material on a continuing monthly basis. A specified amount will be placed on the purchase order determined by the elected official/department head and the Finance Director.

2.24 CONFIRMATION OF PURCHASE ORDERS

At times it will be necessary to take price quotes over the phone and issue orders over the phone. The Director of Finance will authorize such purchases and provide the purchase order number. Purchase orders will be mailed and marked "CONFIRMING ORDER, DO NOT DUPLICATE".

2.25 AUTHORIZED EMPLOYEES TO MAKE PURCHASES

Upon the recommendation of the Director of Finance, the Financial Management Committee shall approve those employees who are authorized to purchase under a blanket purchase order.

2.3 EMERGENCY PURCHASES

If an emergency exists during work hours, the Department of Finance shall be notified and direction received from the Finance Director as to the proper steps to be taken. If the emergency occurs when the Finance Department is closed, every effort should be made to obtain at least three (3) bids (oral or written) and an authorization written for an emergency purchase. Then a requisition should be given to the Department of Finance (the next day) indicating the purchase and a description of the emergency that existed.

2.4 PURCHASING CALENDAR

In order to receive volume discounts and to minimize delivery problems, the Finance Director shall review the needs of each department and when the items will be needed. From this information a purchasing calendar shall be prepared indicating when certain items will be bid and when information will be needed to make such bids. For items not included on the purchasing calendar, department heads should allow two (2) to four (4) weeks for bidding (depending on items to be purchased plus estimated delivery time).

2.5 BASIC PRINCIPLE OF PURCHASING

The basic principle of an organized purchasing system is to plan the county needs, develop minimum specifications, and receive bid from the most bidders as possible.

2.6 ACCOUNTS PAYABLE

2.61 Outstanding Purchase Order File

Upon issuance of a purchase order, the second copy of the purchase order shall be maintained in an "outstanding purchase order" file. A copy of the purchase order shall be maintained in this file until the order is fully paid or canceled. At any time a review of this file shall indicate the amount of the purchase orders issued upon the county. Whenever the receiving report copy of the purchase order and/or invoice are received, the outstanding purchase order copy shall be removed from the outstanding purchase order file and attached to the receiving report, invoice, packing slip, or bill of lading for making payment.

2.62 Receiving Invoices

Whenever an invoice is received, it should be attached to the outstanding purchase order file copy until the receiving report is received. If the receiving report is not received within two (2) working days, the department concerned should be called to determine if the merchandise has been received. Invoices should be verified as to price bid or quoted as it appears on the purchase order, quantity, and freight charges.

2.63 Verification for Payment

Upon receiving a copy of an invoice, receiving report, packing slip, or bill of lading, verification of quantity, price and any exceptions noted on the various

documents shall be made. At which time payment may be made considering cash discounts, cash flow, and cash investments.

2.64 Freight Charges

In taking bids, prices received from bidders should include all freight charges. For those Purchases for which the price does not include freight, the purchase order shall state that all shipping and handling charges shall be "Prepaid" and added to the invoice. The order will be considered "F.O.B. Destination". Every effort shall be made to avoid "freight collect" shipments.

2.65 Paid Files

Upon payment of county obligations one copy of the warrant shall be stapled to the invoice, outstanding purchase order copy, receiving copy, and shipping documents. This shall be filed and maintained in a file cabinet for future use and for auditing.

2.66 Partial Payments

Whenever there is to be a lengthy delay in receiving all of the merchandise purchased or whenever cashed discounts are offered, a partial payment may be made for the order; provided the outstanding purchase order is marked accordingly. The outstanding purchase order should reflect the amount paid and the amount due on the order when completed. Each purchase order issued for instructional materials shall have "absolutely no back orders" typed at the bottom.

2.67 Payments

After complete verification, payment shall be made by issuing a county warrant.

3.0 BIDDING PROCEDURES

3.1 WHAT SHALL BE BID

Any item or combination of items from a source costing more than \$10,000 for all funds shall be bid using a sealed bid unless an emergency exists.

3.2 NEED EVALUATION AND BASIC SPECIFICATIONS

Each department shall determine its needs and submit a requisition with the minimum specifications either on the requisition or attached to it. In submitting a requisition, the department should consider the amount of the budget balance and refrain from exceeding the budget.

3.3 SPECIFICATIONS

Quality is as important as price. Quality buying or value analysis is defined as the purchase of goods, supplies, materials, equipment, or services which fulfill but not exceed the requirements for the intended purpose of the lowest price. Specifications should adequately and clearly define the minimum requirements of the item to be purchased in order to receive the maximum of bidders. When the Director of Finance has to draw up the specifications, he is to be given not less than five to ten working days.

3.31 Detailed Specifications

Detailed specifications will be developed for all projects and all biddable items.

3.32 Specifications Using Manufacturer's Brand Name, Brand and Catalogue or Model Number.

Generally, using this type of specifications is adequate. If more than one manufacturer's product meets the specifications, each shall be listed in the specifications. In using this type of specification, the minimum features to be accepted shall be specified and the provisions "or equal" or "similar" qualifying words shall be part of the specifications.

3.4 FORMAL BIDDING PROCEDURES

3.41 Solicitation for Bids

3.411 General Requirements

Bids shall be solicited from all qualified sources deemed necessary to assure such full and free competition as is consistent with the procurement of the required supplies or services.

3.412 Method for Soliciting Bids

The Finance Director shall mail or deliver invitations for bids to prospective bidders and shall also display copies of the invitation or notices.

3.413 Paid Newspaper Advertising

Announcements of proposed procurements will be inserted as paid advertisements in newspapers only when the amount exceeds \$10,000.

3.414 Copy of Invitation to Requisitioning Office

A copy of each invitation for bid shall be furnished to the requisitioner for his approval.

3.415 Record of Distribution

A record shall be kept of the distribution of invitations.

3.42 Receipt and Care of Bids

3.421 General Requirements

Bids shall be received, handled, and protected in a manner that will prevent fraud and preserve the integrity of the competitive bidding system.

3.422 Bid Depository

As bids are received and recorded, they shall be delivered to the Finance Director and the Deputy Director shall place them in a locked file until the time for bid opening.

3.423 Sealed Bids not to be Opened

Bids shall not be opened, read, or in any manner made public until the time set for opening, except for the reason set forth in 3.424 below.

3.424 Identification of Sealed Bids

A bid received without proper identification on the envelope of the invitation under which it has been submitted may be opened for identification purposes. The bid shall be resealed immediately, and no information obtained from the bid shall be disclosed. An explanation of why the bid was opened, signed by the person who opened it, shall be placed on the envelope.

3.425 Date of Receipt Marked on Envelope

Each bid envelope shall be time stamped or have written on it in ink, the date and hour of actual receipt. The notation shall be signed by the person entering the information on the envelope.

3.426 Late Bids, Modifications and Withdrawals

- A. Information concerning the normal time for mail delivery shall be obtained by the purchasing agent from the local postmaster or his authorized representative to determine whether the bidder mailed the bid in sufficient time to expect delivery by the closing date. When time permits, such information shall be obtained in writing.
- B. Modifications by telephone shall not be permitted.
- C. Bids may be withdrawn at any time up to the time of the award.

3.427 Telephone or Oral Bids

No oral or phone bids shall be accepted before or after the bid opening.

3.428 Hand Carried Bids

A late hand-carried bid, or any other late bid not submitted by mail, shall not be accepted.

3.429 Notification to Late Bidder

All formal invitations to bid specify a date, hour, and location of the public opening for the bid. Each vendor shall be responsible for seeing that his bid arrives in time to be considered. Incorrect filing, mailing, or lateness resulting from the United States Post Office shall not be an excuse and such bids will not be accepted. The bidder shall be notified of his late bid and the late bid returned unopened.

3.43 Signing and Submission of Bids

3.431 General Requirements

In order to receive consideration, bids shall be filled out, executed, and submitted in accordance with the instruction accompanying the bid form and in sufficient time to reach the designated office at or before the time fixed for the opening of bids.

3.432 Signing of Bids

Bids shall be signed by bidders prior to submission. Signatures in lead pencil are acceptable but shall be discouraged. Corporate names, trade names, or partnership titles may be stamped or typewritten, but the actual signature of the authorized representative of the bidder shall appear on the bid. The signatures shall be followed by the title of the signer. Any incomplete business name or signature deficiency shall be questioned by the Finance Director.

3.433 Bids Submitted in Envelopes

Bids and written modifications of bids shall be required to be submitted in sealed envelopes. Unsealed bids will not be accepted.

3.434 Telephone or Oral Bids

No oral or telephone bids shall be accepted before or after the bid opening.

3.435 Faxed Bids

No faxed bids shall be accepted before or after the bid opening.

3.44 Opening Bids

3.441 General Requirements

At the time fixed for opening, all bids received shall be publicly opened and read aloud by the official designated to open the bids. All in attendance at the opening will be required to sign in.

3.442 Date and Time of Bid Opening

Each bidder shall be requested to submit a bid in a sealed envelope at a specified date and time.

3.443 Data to Read

Generally, only the following data should be read aloud:

- A. Name of Bidder
- B. Discount Terms
- C. Delivery Terms
- D. Quantity Offered
- E. Price on each item and totals
- F. Any bid conditions or qualifications

3.444 Recording of Bids

Bids may be recorded as they are opened and read, or after they are read. However, when there are a large number of bids, the bids should be recorded as they are read.

3.445 Bidders not to Handle Bids

Bidders, or their representatives, or any spectators in the bid room shall not be allowed to handle the bids after they have been opened. They may be allowed to inspect such bids when in the hands of a county representative. This representative will answer any questions asked as to the contents of any bid received.

3.446 Discussing Merits of Bids

The relative merits of bids shall not be discussed by the person opening the bids. No statements shall be issued by the bid opener at a bid opening bearing on the bid award, the possibility of a re-advertisement, mistakes in bids, etc. No oral instructions shall be given to bidders any time during the opening. Protests of bidders and inquiries regarding the award of the bid shall be referred to the Finance Director after the completion of the bid opening procedure.

3.45 Evaluation of Bids

3.451 General Requirements

Bids shall be evaluated to determine the lowest responsive bid. Because various factors in addition to price may have to be considered in determining the lowest bidder, the evaluation of bids calls for the exercise of good judgment, the making of fair and impartial decisions, and a knowledge of basic rules and regulations by the Finance Director.

3.452 Abstracting Price Information

Extensions of unit prices shall be checked for accuracy. In case of error, the unit price shall govern, and the correct extension thereof shall be entered on the abstract. For a long list of miscellaneous items, unit prices shall be abstracted, except when the Finance Director requires that the abstract contain extensions of unit prices for comparison purposes.

3.453 Public Inspection of Abstract

After bids have been evaluated and the award made, the abstract shall be made available for public inspection.

3.454 Selection of the Best Bid-Basis for Award

The best bid is the lowest bid meeting the specifications. However, when the best bid is not the lowest received, a memo of justification shall be written by the Director of Finance and placed in the appropriate bid file. Each bid shall be carefully evaluated as to quality, price, delivery, and service, and the report shall give complete details on why the low bid should be waived. The final decision for the lowest and best bid rests with the Director of Finance and the Department Head. If a consensus is

not reached, the Financial Management Committee will be the final arbitrator. Copies of rejected bids with reason shall be filed with other bids.

3.455 Equal Low Bids- Tie Bids

Quality and service being equal, identical bids shall be decided in favor of the local vendor. If a tie exists between vendors being equal in all respects, the tie will be broken by a telephone call to the submitting bidders advising of the tie, and asking whether they want to resubmit another sealed bid.

3.46 Bids Files Open to the Public

Any citizen of Carter County shall be allowed to see the bid files upon contacting the Finance Director.

3.47 Rejection of Bids

The County reserves the right at any and all times to accept or reject any and/or all bids in whole or in part, and to waive any minor irregularities in any bid. Reasons for rejection should be noted on bid forms.

3.48 Removal of Bidder from Official Bid List

If a bidder does not perform in accordance with the bid conditions or specifications, or if it is found that the bidder had intentionally violated these policies and regulations and/or if the vendor fails to submit a bid on three successive invitations, the Finance Director may remove the vendor from the official bid list until the violations are remedied to the satisfaction of the Director. Upon removal from the list, the Finance Committee shall be notified and given the reason for removal.

3.49 Bonds

3.491 Bid Bonds- Deposits of Good Faith

In cases of large bids or contracts, the Director of Finance may require a bid bond not to exceed 10% of the total bid. A certified check, cashier's check, or properly executed bonds shall accompany the bid proposal. The check shall be made payable to Carter County. Deposits of the bidders are held until award of the order of contract, and the deposit of the successful bidder is held until he has completed delivery or services and/or, if required provided a performance bond.

3.492 Performance Bond

The performance bond is used to insure performance of contracts in the time and manner prescribed and to save, indemnify and keep harmless the County against loss. In cases of large or construction contracts, bid proposals shall require 100% performance bonds.

3.5 SPECIAL AREAS

3.51 Vendor Discounts

Vendor's discounts shall be considered in determining the low bidder.

3.52 Splitting Orders

No employee shall split an order, divide the items to be purchased, or use similar practices to avoid the sealed bidding procedures.

3.53 Grouping or Requests

All employees shall make an effort to group orders for avoiding repeat orders and to receive the best price. In order to do this, needs shall be anticipated well in advance.

3.54 Contracts

Contracts shall be issued for construction projects and other items of a similar nature. Any contract exceeding \$5,000 (General \$5,000) shall be approved by the Finance Committee.

3.55 Sales of Surplus Property

Whenever a department or sufficient property of the county is to be sold, the Finance Director shall prepare a detailed list of items to be sold and public auction procedures for recommendations to the Finance Committee. The Finance Committee shall approve a time and method for holding the public auction. It is asked that each department, once a year, report stocks of materials which have become obsolete or worn and no longer useful to their operation. Surplus items which still have a utility may be transferred from one department to another.

3.56 Cooperative Procurement

The Finance Department may participate in, sponsor, conduct, or administer a cooperative procurement agreement with one or more public bodies or agencies of the United States for the purpose of combining requirements to increase efficiency or reduce administrative expenses. An example of a cooperative purchasing agreement is NETCO, where school systems in the Northeast Tennessee region go together and competitively bid school related items (paper, milk, etc.)

3.57 List of Bidders

The Director of Finance shall compile a list of vendors. The list shall be divided according to the type of merchandise each vendor sells. When bids are issued, each vendor shall receive a copy or notification of the bid notice and/or specifications.

3.58 Change Orders

Contracts awarded for construction projects may involve change order requests at a future point. All change orders should be evaluated by the Director of Finance and affected Department Head based on the total budget for the construction project, any relevant building code or permit issues, and the terms of the scope of the work involved in the original bid. In addition, written recommendations from the project architect and contractors should be solicited in relation to the merits of the specific change order and placed in the bid file. The Director of Finance and affected Department Head shall have

authority to approve change orders up to an amount that does not materially change bid results/selection.

3.6 INSURANCE AND RISK MANAGEMENT

3.61 Claim Reporting Procedure

- Employee should immediately notify supervisor of incident.
- Supervisor should review damage, take thorough notes (documenting time, location, weather, event that occurred, etc.), and make pictures of accident/event as deemed necessary.
- At no time shall any admission of liability be made.
- Witnesses to the accident should be noted and provide summary statement of what occurred.
- Supervisor should notify, if necessary, authorities of event (Sheriff, HAZMAT, 911, etc.).
- If employee requests medical attention, Supervisor shall direct the employee to the Emergency Room at Sycamore Shoals.
- If treatment is refused by the employee, the supervisor should obtain a signed statement from the employee that treatment was refused (i.e. employee refused to be taken to ER).
- Upon arrival at ER, employee should inform medical staff that the injury is worker's compensation related and that their employer requests Medworks.
- Medworks will conduct necessary testing (i.e. drug related), complete a worker's compensation evaluation, and give guidance on when employee will be eligible to return to work.
- If other parties (non-employees) were involved in the incident, the Supervisor should evaluate the damages and inform claimant that we will discuss the matter with our insurance provider.
- If claim appears minor in Supervisor's opinion (less than \$2,500) in damages, he should review matter with management and see if a settlement is a cost effective approach and can be reached with party (no insurance claim needs to be filed).
- If claim appears to be above \$2,500 or party doesn't seem open to settlement, file insurance claim form immediately.

3.62 Yearly Review

Each Year the Finance Director, staff, and Finance Committee shall review the insurance coverage for all areas of the county system. This review shall cover, but is not limited to, current coverage, possible improvements in coverage, estimated cost, method, or purchasing recommendations.

Debt Management Policy

I. Goals and Mission

The purpose of the Carter County Debt Management Policy is to provide management with a template for guidelines and direction to assist in making sound debt management decisions. It will further demonstrate strong management practices for our county citizens, outside investors, and credit agencies.

II. Legal Requirements

Pursuant to TCA Section 9-21-151(b) (1), the State Funding Board is authorized to develop model financial transaction policies for the State, State Agencies, local governments, and local government instrumentalities. The State Funding Board on December 15, 2010, adopted a statement on debt management that reflects four principles for strong financial management in the public sector:

1. Understand the transaction.
2. Explain to citizens what is being considered.
3. Avoid conflicts of interest.
4. Disclose costs and risks.

This policy is drafted as part of the said requirement and includes the four (4) stated principals. Many of the processes for approval, sale, and repayment of debt are controlled by various Tennessee statutes. These laws and regulations which provide debt policy for most of Tennessee local governments are not repeated here, but this policy must be considered in conjunction with those laws.

III. Objectives

1. Enhance decision process transparency.
2. Address hiring outside professionals.
3. Address any potential conflict of interest issues.
4. Address additional requirements for new debt.

IV. Transparency

Carter County shall comply with legal requirements for notice and for public meetings related to debt issuance. In the interest of transparency, all costs (including interest, issuance, continuing, and one-time) shall be disclosed to the citizens, governing bodies, and other stakeholders in a timely manner.

Responsibilities for analysis and reporting shall be with the Financial Management Committee and the County's Budget Committee. The following procedure will be followed to enhance the transparency of such decisions.

1. **Annual Debt Report:** An annual debt payment report shall be submitted to the county legislative body by July of each year, generally the report will be presented with the annual debt budget. The annual report will consist of but not be limited to:
 - a. Budget summary and detailed budget as required by the Comptroller's Office.
 - b. Net Debt Calculation (Total Principal outstanding less most recent year respective debt balance).
 - c. Calculation of Net Debt per capita from last official census (net debt/population).
 - d. Documentation of the most recent debt rating.
 - e. Reports will reflect the estimated fund balance.
2. **Annual Debt Budgets:** Annual Debt Budgets shall be adopted by the county legislative body and comply with legal notice and filings requirements including the State Open Records Law.
3. **New Debt Issuance:** Any new debt issuance shall comply with State Form CT-0253 as well as any other state required forms that detail all associated cost for the issuance of the proposed debt. These records will be available for public and county commission inspection prior to the commission's approval of the debt issuance.

V. Use of Debt Financing

Debt is only to be incurred for financing capital assets that, because of their long-term nature or because of budgetary restraints, cannot be acquired from current or budgeted resources. Debt is not to be used for operational needs. Debt financing can include general obligation bonds, revenue bonds, certificates of participation, lease/purchase agreements, special obligation bonds, or any other financing instrument allowed under Tennessee statutes. Carter County will seek to utilize the least costly/most appropriate form of financing for its project needs.

VI. Capital Planning and Debt Determination

The Carter County Commission shall conduct a needs assessment and a three-year Capital Improvement Program.

Debt financing will be considered in conjunction with the approval by the County Commissioners. Additionally, debt financing will be considered for equipment items that normally do not go through the County Commission, but are included in departmental requests, and are not treated as current year operating expenditures.

Any capital item that has not been included in the processes above, but because of its critical or emergency need where timing was not anticipated in the CIP or budgetary process, or is mandated immediately by either State or Federal requirements, will be considered for approval for debt financing.

VII. Debt Affordability

The County will use an objective, analytical approach to determine the amount of debt to be considered for authorization and issuance. This process involves the comparison of generally accepted standards of affordability to the current County values.

These standards and guidelines shall include the following:

Debt Per Capita

This ratio measures the burden of debt placed on the size of the population supporting the debt and is widely used by analysts as a measure of an issuers' ability to repay debt. This measure will be maintained with a ceiling in the range of \$1,000 and a target rate of \$700.

Debt as Percentage of Assessed Valuation

This ratio measures debt levels against the property tax base which generates the tax revenues that are the main source of debt repayment. This ratio is to be targeted at 3.8% with a ceiling of 7.0%.

Debt Service as Percentage of Operational Budget

This ratio reflects the County's budgetary flexibility to change spending and respond to economic downturns. This ratio is targeted at a level of 14% with a ceiling of 16%.

Ten-year Payout Ratio

A faster payout is considered to be a positive credit attribute. The County will maintain a floor for its ten-year payment of 60%.

Unreserved/Undesignated General Fund Balance

The suggested target range of Undesignated General Fund balance to General Fund expenditures is 12.0% to 14.0%, in accordance with the County's Fund Balance Policy.

These measures shall also be judged against the necessity of and the benefits derived from the proposed acquisitions.

By establishing maximum debt ratios (ceilings or floors) and target debt ratios over a period of time the County is demonstrating that there is a limit above which the County will not issue additional debt in order to control its debt service burden. The County is committing to either decrease capital spending or to find other funding sources rather than create an excessive debt burden on future budgets.

The County will update its Debt Affordability study annually along with a review of comparable Aa3 rated counties to continue to analyze and control its debt effectively.

VIII. Debt Structure

For most debt issues, the actual structure and sale is conducted in conjunction with the Local Finance Office, a division of the Comptroller of the Treasury. Local Finance functions as the financial advisor to local governments when issuing debt. Structuring must take into consideration current conditions and practices in the municipal finance market.

Debt will be paid off in a timeframe that is less than the useful life of the asset or project acquired through the financing. General obligation bonds will be generally competitively bid with no more than a 20-year life. Negotiated or private placements, however, may be used where allowed when complex financing or structure is a concern with regard to marketability. Debt service for each issue will be structured in an attempt to level out the County's total debt service payments. This structuring assists in minimizing the interest payments over the life of the issue.

The County will consider utilization of variable rate debt in order to lessen the potential interest costs over the life of the issue. In the event of variable interest debt, the county should consider budgeting up to an additional 2% above the variable rate to protect the county in the event of an upswing in interest rates.

Bond sales will be scheduled in January of each year or on an as needed basis with the size of the bond sale to be determined by the County, based on expected cash needs for construction or acquisition of projects for approximately 12 months. This will accommodate necessary spending requirements to avoid arbitrage rebates. The size of other types of financings will be determined by the cost of the assets being acquired, including all issuance costs. The time of the sale will be determined based on existing cash balances from previous financings, acquisition and construction cash draw down requirements, and expectations of needs for new projects to be funded by the financing.

Leases should only be used when it is more advantageous than purchasing the asset. All leases will be reviewed by the county attorney prior to execution of the lease, in order to determine if the instrument is a capital or operating lease. No county official that is not authorized by State statute should execute a capital lease on behalf of the county. Since capital leases are typically the least used and most expensive means of financing, the county commission should fully understand the cost of the asset and borrow cost imputed, as well as, whether they intend to use the asset through the end of its useful life.

IX. Credit

The County will seek to maintain its current Aa3 rating on its general obligation debt and maintain the highest possible ratings on other financing instruments, if rated. Credit enhancements will only be used when necessary for cost-effectiveness and/or marketability. The County will maintain good communications with bond rating agencies about its financial conditions and operations with information being sent to the rating agencies on a regular basis. Credit ratings will be sought from the major, national rating agencies.

X. Refunding of Outstanding Debt

The County will monitor the municipal bond market for opportunities to obtain interest savings by refunding or advance refunding outstanding debt. The estimation of net present savings should be, at a minimum, in the range of 2.5 - 3%, of the refunded maturities before a refunding process begins. The refunding must not extend the original anticipated life of the asset.

XI. Arbitrage Rebate Reporting and Covenant Compliance

The County will maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal tax code. This effort includes tracking investment earnings on bond proceeds, calculating rebate payments in compliance with tax law, and remitting rebate earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the County's outstanding debt issues.

Additionally, general financial reporting and certification requirements included in debt issue documents are monitored to ensure compliance with all covenants.

XII. Continuing Disclosure

The County will provide on-going disclosure information to established national information repositories and maintain compliance with disclosure standards promulgated by state and national regulatory agencies.

XIII. Selection of Financial Consultants and Service Providers

The County will provide for a solicitation and selection process for securing all professional services required in connection with any debt issues. This selection will be done on an issue-by-issue basis, will focus on the particular experience and expertise necessary for that issue, and will be made in order to secure such services at competitive prices to the County. The County will issue a Request for Proposals according to the attached template for RFP. All professionals involved with the cost of issuance of debt shall disclose the estimated cost of their respective services including soft costs or compensations in lieu of direct payments to the county commission prior to the issuance of the debt in the form of an engagement letter.

The following is a selection process and appointment criteria for bond counsel:

1. **Financial Advisor:** The County shall enter into a written agreement with each person or firm serving as financial advisor for debt management and transactions. Whether in a negotiated or competitive sale, the financial advisor shall not be permitted to bid on, privately place or underwrite an issue for which they are providing advisory services for the issuance. The county will utilize the most current definition of "financial advisor" as determined by the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board, when determining what exactly defines a financial advisor.
2. **Underwriter:** If there is an underwriter, the county shall require the underwriter to clearly identify itself in writing (e.g. in a response to a request for proposal or in promotional materials provided to the issuer) as an underwriter and not as a financial advisor from the earliest stages of its relationship with the county with respect to that issue. The

underwriter must clarify its primary role as a purchaser of securities in an arm's-length commercial transaction and that it has financial and other interests that differ from those of the county. The underwriter in a publically offered, negotiated sale shall be required to provide pricing information both as to interest rates to takedown per maturity to the governing body in advance of the pricing of the debt.

3. Counsel: Carter County shall enter into an engagement letter agreement with each lawyer or law firm representing the County in a debt transaction. No engagement letter is required for any lawyer who is an employee of the County or lawyer or law firm which is under a general appointment or contract to serve as counsel to the County. The County does not need an engagement letter with counsel not representing the County, such as underwriters' counsel.

XIV. Conflict of Interest Issues

1. Professionals involved in a debt transaction hired or compensated by the county shall be required to disclose to the county existing client and business relationships between and among the professionals to a transaction (including but not limited to financial advisor, swap advisor, bond counsel, swap counsel, trustee, paying agent, underwriter, counterparty, and remarketing agent), as well as conduit issuers, sponsoring organizations, and program administrators. This disclosure shall include that information reasonably sufficient to allow the county to appreciate the significance of the relationships. Professionals who become involved in the debt transaction as a result of a bid submitted in a widely and publicly advertised competitive sale conducted using an industry standard, electronic bidding platform are not subject to this disclosure. No disclosure is required that would violate any rule or regulation of professional conduct.
2. The County and all professionals involved shall insure that no debt is issued that engages in interest swap agreements or derivative arrangements.

CARTER COUNTY

TRAVEL AND REIMBURSEMENT POLICIES AND PROCEDURES

Purpose: To establish travel policies and procedures to provide guidance and outline acceptable practices to county officials and employees in relation to travel related expenditures. These policies and procedures shall follow the Tennessee State Travel Guidelines and/or the U.S. General Service.

A. POLICY:

When County Officials or Employees spend their personal funds for travel, which is in the course of County business or in support of a County purpose, such employees may be reimbursed for such expenses from County funds provided that they were expended in accordance with this approved policy.

This policy shall apply to all employees, elected officials, board members, and any other persons for whom a disbursement warrant would be issued from the Finance Office for payment of such expenses.

When traveling for County business, persons seeking reimbursement should be as conservative as circumstances permit. The lower cost should be selected whenever practical.

A County official's or Employee's deliberate disregard to this policy while traveling on County business or filing of an intentionally misleading or fraudulent travel claim is grounds for disciplinary action including termination.

B. AUTHORIZATION AND REQUISITION PROCEDURES

All out-of-county travel shall be authorized by the department head prior to departure.

1. In the event of County Commission related travel, the Budget Committee Chairman should be notified prior to departure; the Budget Chairman will work with the Director of Finance as to the arrangements.
2. In the event of school related travel, the determination of reasonable practicality of lodging including room assignment and travel arrangements is reserved for the department head responsible for monies available for travel use. The Director of Schools shall have the final directive authority in the use of allocated travel budgets. The Director of Schools/Department Head may choose appropriate and practical lodging within proximity of meetings and convivance of travel.
3. The submission of an approved departmental requisition to the Finance Office in an estimated amount to cover expected expenses would serve as authorization. The county official or employee will be listed as the vendor on the requisition. Authorization of out-of-county travel is necessary to insure workers' compensation and liability insurance coverage while out-of-county. Department requisitions for legitimate emergency travel should be handled in accordance with procedures outlined under Emergency Purchases.
4. Two of the following four individuals must approve out-of-county travel in excess of \$1,000.00 per individual per trip, Director of Finance, County Mayor, Director of Schools, or the Budget Committee Chairman.

5. All outstanding travel reimbursements must be resolved for the county official or employee prior to the approval of any future travel requisitions.
6. All school travel must have previous approval by the Director of Schools or his designee (the designee usually will be the Assistant Director, Supervisor, or Principal of the school in which the person traveling is employed) and generally will use the form *Staff Development/Meeting Request* (Appendix A).

C. TRAVEL ADVANCES

1. It shall be the policy of Carter County to limit travel advances; however, they may be issued to a county official/employee when specifically authorized by the department head/elected official for hardship cases or cases where an employee will be away from the county for five or more days (not to exceed \$1,000.00).
2. Travel advances should not be issued for less than \$100.00. Immediately upon return, the county official/employee must submit a request for reimbursement regardless of whether he owes advance money back or is due additional reimbursement. Each county official/employee receiving a cash advance must sign a Payroll Form (Appendix B) authorizing the county to recover the advance from any salary owed the county official/employee in the event of termination of employment or failure to submit a claim form.
3. Travel advances are discouraged and should only be made in the case of using checks to pay for lodging in instances where credit card use is not feasible. Checks should be written for the exact amount of service provided.

D. REIMBURSEMENT PROCEDURES

1. County Officials/Employees are expected to submit claims for reimbursement for travel expense no later than 30 days after the completion of travel to the Finance Office. All written signatures on the Carter County Travel Claim Form must be original. Original receipts (copies will not be accepted) shall be provided for hotel stays along with a copy of the official training schedule/agenda to validate the purpose of the travel.
2. School System Travel
 - a. For local reimbursement, the employee should file a daily log of travel for said month, with mileage tallied and summarized according to immediate reimbursement rates of *The Official Travel Form* (Appendix C). An adding machine tape of checked calculations should also be included with the reimbursement form. The form should be completed with the local mileage to and from commonly traveled destinations, and that is included as an appendix of this document (Appendix D). The employee should

obtain the appropriate supervisor signature on the form with the current date.

- b. For travel occurring out of the local vicinity, the employee should complete the *Carter County Travel Claim Form* (Appendix E). It should be completed according to the *Department of Finance and Administration Standard Reimbursement Rates* (Appendix F) or *Department Head and Board Member Travel Reimbursement Rate Schedule* (Appendix G). The log should be tallied and an adding machine tape should be included demonstrating a check of the calculations. Evidence, usually in the form of a brochure or email detailing the nature of the meeting and the reason for travel should also be included in the final documentation being submitted for reimbursement. The appropriate supervisor should sign and date the document.
- c. All school travel claims should be filed in the Central Office at the Main Desk to be transferred to the Finance Office to be processed.

E. PER DIEM RATES-MEALS AND INCIDENTALS

1. Per diem rates for meals and incidentals for Carter County shall be equal to the reimbursement guidelines used by the State of Tennessee and/or the U.S. General Services.
2. All school system mileage, incidentals, and lodging reimbursement rates will be paid according to the state reimbursement schedule contained in the *State Department of Finance and Administration Standard Reimbursement Rates* or the *State Department of Finance Administration for Department Head and Board Member Travel and Reimbursement Rate Schedule*, contained as an appendix to this document. It is expected that department heads maintain current rates as they fluctuate.

F. USAGE OF COUNTY VEHICLES

1. When making travel arrangements, the availability of county vehicles shall be checked before utilizing a personal vehicle. County vehicle usage is preferred in order to reduce costs and to minimize any potential insurance coverage issues. For scheduling of the County Van, contact the Finance Department. For School Travel needs, contact the Bus Garage.
2. County vehicles should only be used for official business. The driver should be an elected official or an employee of the organization. The driver of the vehicle must possess a valid driver's license. Verification of a valid driver's license is the responsibility of the department head/elected official. A fuel card will be furnished with the vehicle.

G. DETERMINATION OF MILEAGE AND OFFICIAL STATION

The Director of Schools or Supervisor is responsible for determining the official work station according to the employee's job assignment and time of travel. When disputes for the amount of mileage reimbursement arise, the supervisor will defer to the calculations of an on-line mapping system such as Google Maps and use the shortest route outlined for the calculation. The Director of Schools or Supervisor may alter this determination for extenuating circumstances such as detours or emergencies.

H. TRAVEL-PERSONAL VEHICLES

1. Before utilizing a personal vehicle, please check with the Finance Department on the availability of a county vehicle.
2. You must check with others who may be attending the same event for carpooling.
3. In most cases of trips over 100 miles, a rental car will be more economical than use of a personal vehicle. Please contact the Finance Department for rental recommendations.
4. The use of personal vehicles for business travel should be pre-approved by the department head prior to any travel. Use of a personal vehicle when a more economical means of travel is available is not reimbursable.
5. Reimbursement for the use of personally owned vehicles shall be equal to the reimbursement guidelines used by the State of Tennessee. Only mileage on official county business may be claimed. Mileage should be calculated based on the most direct route.
6. The School System's use of personally owned automobiles, rental cars, and local vehicles:
 - a. Personally Owned Automobiles may be used for travel both locally and for commutes if the department head approves their use. *It is the obligation of the employee to provide evidence of proper insurance coverage for the use of their automobile for performing work tasks and duties.*
 - b. Rental Cars and School Owned Vehicles are encouraged for use when practical and when a cost savings would be prudent by their use: The determination of practicality and prudence shall be determined by the appropriate supervisor.

I. HOTEL ACCOMMODATIONS

Hotel accommodations should only be utilized when the trip is more than one day or the round trip mileage is greater than 300 miles. All hotel accommodations should be reviewed and approved by the department head. All department heads should explore the option of having more than one person stay in a room when possible. When booking a hotel, try to get government rates. Inform the reservation center that you

are tax-exempt, and that you will bring a tax-exempt form. If they request pre-payment, you will need to submit a travel requisition for a check or contact your department head as to the availability and usage of a county credit card.

J. TELECOMMUNICATION CHARGES

Local phone calls, fax charges, and long distance calls for county business will be reimbursed. Reimbursement shall be limited to one (1) personal long distance call per day. Employees/officials must provide a statement furnishing the date, name, and location called for long distance calls and faxes.

K. TRAVEL WITH SPOUSE OR NON-EMPLOYEE

1. The additional cost associated with travel of a spouse/non-employee is not reimbursable. Travel must be in the course of County Business or in support of a county purpose. While participation of a spouse/non-employee in out of town meetings is not prohibited, the following will result in zero reimbursements:
 - a. Use of personal vehicle for convenience of spouse when a county vehicle, carpooling and/or rental vehicle is appropriate.
 - b. Use of additional hotel rooms when a shared room for attendees is appropriate.
2. In the School System, the department head may also determine if mileage reimbursement may be altered because of the accompanying spouse and adjust accordingly including not reimbursing mileage if funds were budgeted for group commutes.

L. USE OF CREDIT CARD AND FUEL CARDS DURING TRAVEL

County Official/Employees may use or be assigned credit cards or fuel cards for use in traveling. It is the responsibility of the employee/official to insure the appropriate use of these cards as outlined in this manual or by supervisor. The employee using the charge card is liable for all expenses incurred on the card and shall pay any expense incurred by their misuse. It is the responsibility of the card user to know and understand the applicable use of the card including taxation reimbursement and appropriate purchases outlined by local and state policies. It is the responsibility of the Finance Director/School Supervisor to establish check out procedures and guidance for each respective card issued under their control.

M. PARKING AND TOLLS

Reasonable tolls, parking, and ferry fees will be allowed when necessary and a receipt is presented for reimbursement.

N. VEHICLE ACCIDENTS OR DAMAGE

Whenever a vehicle sustains damage or is involved in an accident, contact local law enforcement immediately to file a report. The Finance Department and the employee's supervisor must also be contacted within the first 24 hours so that an insurance claim may be reported. Upon return, the employee may be required to complete a report on the accident as well as a first report of injury. Any citations or fines incurred while on travel are the responsibility of the employee.

O. ABUSE OF TRAVEL POLICY

1. Any suspect abuse of travel policies should be reported immediately. Notice of abuse can be made to the following parties:
 - Associated department head or elected official.
 - Director of Finance
 - County Mayor
 - Director of Schools
 - State Comptroller's Office
2. Deliberate disregard to the policies while traveling on county business or filing of an intentionally misleading or fraudulent travel claim are grounds for disciplinary action including termination.

P. GRANTING OF VARIANCES

1. **County Travel-** Any elected official or department head has the sole authority to grant variances and/or exceptions to the travel guidelines on a case by case basis within their department if the official or department head determines in a particular situation that circumstances justify granting variances and/or exceptions.
2. **School Travel-** The Director of Schools has the sole authority to grant variances and/or exceptions to the travel guidelines on a case by case basis if the Director determines in a particular situation that circumstances justify granting variances and/or exceptions, in the Director's sole and unlimited discretion
- 3.

Q. TRAVEL FORMS

- Appendix A-Staff Development/Meeting Request

- Appendix B- Carter County Travel Form
- Appendix C-Official Travel Form
- Appendix D-Department of Finance and Administration Standard Reimbursement Rates
- Appendix E-Department Head and Board Member Travel Reimbursement Rate Schedule
- Appendix F-Commonly Traveled Destinations Mileage Form
- Appendix G- Payroll Form

Date received:	By:
For Central Office Use Only	

Carter County Schools
305 Academy Street
Elizabethton TN 37643

STAFF DEVELOPMENT / MEETING REQUEST

I would like to attend the following:

Conference _____ Workshop _____ Training _____ Other (Explain) _____

Activity Title: _____

Description (Attach Agenda / Brochure): _____

Please indicate which of the following your requested activity supports:

School Improvement Plan _____ BOE Strategic Plan _____ Individual Growth Plan _____

Travel Destination: City: _____ State: _____

Funding Source: _____ Approximate Amount: _____

Dates of Activity: _____ I will leave on _____ and return to work on _____

Signature _____

Date _____

Work Site: _____

Please turn in a separate form for each event that you plan to attend. Forms should be submitted at least ten (10) workdays prior to the event. Requests must be approved before attending the event.

Approval:

_____ Date Approved

CARTER COUNTY TRAVEL CLAIM

Elizabethton, Tennessee

Valid Drivers License Checked (Dept.
Head)

Auto:
Private _____ Gov't. _____
Vehicial Tag
No: _____

This Claim Must Be prepared In Accordance With Travel Regulations

Date	Place Left	Time Left	Time Arr.	Place Arrived	Miles Traveled	Mileage	Amount	Airlines	Lodging	Food Allotment	Other Expenses	Total

I CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE AND THAT I HAVE NOT RECEIVED A REIMBURSEMENT FROM ANY OTHER SOURCE ON THE DOCUMENTED EXPENSES NOTED ABOVE

Type or Print Below:

Name: _____

Address: _____

Meeting Purpose/Comments:

Signature

Claim For Reimbursement - Official Travel

Name: _____

Date: _____

For Month of: _____

Monday	Tuesday	Wednesday	Thursday	Friday	Weekly Total Miles	Other Expenses
Miles	Miles	Miles	Miles	Miles		
Miles	Miles	Miles	Miles	Miles		
Miles	Miles	Miles	Miles	Miles		
Miles	Miles	Miles	Miles	Miles		
Miles	Miles	Miles	Miles	Miles		
Miles	Miles	Miles	Miles	Miles		
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Mileage Rate As of 8/1/11 Revised \$0.47 </div> <div style="margin-left: 20px;"> Total Miles for this Report: </div>						
<div style="margin-left: 20px;"> Total Expense Claim: </div>						

Mileage Rate as of 1/1/10-\$0.46/mile

I certify the above to be an accurate statement of actual travel expenses incurred while on approval travel for school business, further that I have not and will not receive reimbursement from any other source.

 Signature of Claimant

 Approved, Supervisor or Director of
 Schools

Telephone Equipment Usage (Office Phones, Pagers, Cell Phones)

County telephone equipment, cellular telephones and pagers are provided **for OFFICIAL COUNTY BUSINESS USE ONLY**. Keep personal calls to a minimum. County employees are prohibited from making toll sensitive long distance and cellular telephone calls or cellular data transactions on County owned telecommunications equipment. The only personal calls permitted on County telephones must be for emergency purposes. Employees must reimburse personal long distance and personal cellular telephone calls to the Finance Department immediately upon receipt of the bill for such usage.

Do not make costly "operator assisted" calls such as person-to-person, credit card calls, or any other calls requiring the services of an operator on County telecommunications equipment. Keep directory assistance (1-411) calls to a minimum.

County telephone numbers shall not be used for "third party" calls (ie:, calling from a non-County facility or location and charging the call to a County number). Personal collect calls, calls to 1-900, 1-976 or other similar "pay per minute" services are prohibited.

County employees that participate in cellular "calling plans" are required to limit their cellular calls to the number of minutes provided by their specific plan. An employee that exceeds the usage limit of their cellular plan will reimburse the County for the entire dollar amount over the plan limit. If the employee can attribute the excess usage to a specific County project, or work related event, they can complete a County expense reimbursement form, documenting the business reason they had for exceeding the calling plan, and upon approval by their department director, can be reimbursed for their business expense.

County employees who are on duty as a commercial driver, are operating heavy equipment, or are driving a County vehicle weighing more than 8000 pounds are strictly prohibited from making or receiving calls on a County owned or personal cellular telephone, or any wireless communications device. County employees who are driving vehicles weighing less than 8000 pounds, and do not fit in the above defined categories, are prohibited from using any wireless telecommunications device in the vehicle unless they use "hands free" equipment.

Proposed "use of private cell phones" policies can be imposed on a departmental level, with the approval of the Chief Administrative Officer. Employee time is valuable, and work hours must be fully used for County business. There are no County-wide rules or restrictions governing use of privately owned wireless telecommunications devices, however, County departments may limit, or prohibit use of personal cell phones, pagers or other personal wireless devices on during work time on County property by issuing departmental policies.

The County's Finance Department, is responsible for monitoring and evaluating all telecommunications usage and telecommunications related expenditures to ensure the cost effectiveness of the County's telecommunications systems and networks.

The Finance Department may change a wireless telecommunications provider, or calling plans without prior approval of the specific user or department, if a usage pattern develops that results

in exceeding a calling plan repeatedly, resulting in excessive cost to the County for a period greater than two months.

In order to monitor, evaluate and ensure the cost effectiveness of the County's telecommunications systems and networks, all acquisition and maintenance of telecommunications services and equipment must be approved by the Finance Department.

**POLICY FOR USE OF CREDIT CARDS
CARTER COUNTY GOVERNMENT EMPLOYEES**

1. Credit cards will be restricted to the use for official business only and to the following office holders or employees:

CARD ID	HOLDER/EMPLOYEE	CARD LIMIT
Director/Board of Education	Dr. Kevin Ward	\$18,000
Technology Department	Phillip Nave	\$ 7,000
Special Education	Carol Whaley	\$ 5,000
Federal Projects	Jerri Beth Nave	\$ 5,000
Vocational	Mickey Taylor	\$ 7,000
Head Start	Mike Miller	\$ 5,000
Instructional	Peggy Campbell	\$ 5,000
Carter Cares	Sonya Miller	\$ 7,500
Happy Valley ESP	Elizabeth Nutter	\$ 4,000
County Executive	Leon Humphrey	\$ 7,000
Finance Department	Ingrid Deloach	\$ 14,000
Highway Superintendent	Roger Colbaugh	\$ 2,000

2. Charge tickets will be turned in to the Finance Office as soon as returning from a trip.
3. All tickets must be properly signed by the employee.
4. Any unauthorized expenditures will be charged to the employee and the employee must make restitution to the county. Failure to make restitution can result in a deduction from the employees wages and/or other action to recover the funds.
5. Failure to follow the guidelines can result in suspension of the credit card privileges.

Carter County Department Credit Card Application & Procedure

Please find the attached application for a credit card issued in the department head's name. This is to replace the system wide card being used now.

- The card is to be used primarily for reservations and travel. The card may be used for other purchases within the designated department as necessary.
- Please note the credit limit on the application. This limit is for all uses of the card. It is the responsibility of the department head to maintain a balance below the authorized limit.
- Department heads who are issued individual cards are responsible for the security of their card and for the authorization of its use by others within their department.
- All purchases are the responsibility of the department head who must require all supporting invoices to be submitted to the finance department with the monthly statement.
- It is the department head's responsibility to verify that the statement is accurate and returned to the finance department in time to prevent late fees (at least one week before due date).
- Purchase orders in the name of Cardmember Services/(actual vendor) must be secured before use of card.
- Any rewards points acquired during the statement period will be redeemed as a credit to the statement once received, and payment will be reduced accordingly.

I have read the above policy statement and agree to obtain a credit card in the name of Carter County and myself for business purposes only and agree to return the card immediately upon the request of my supervisor and/or at the end of my current employment as a department head.

_____ Date _____

Internet Usage Policy

Carter County employees access the Internet from County-owned computers. This access is intended for business-related purposes (such as communicating with customers, suppliers, colleagues, to research relevant topics and to obtain useful business information.) When determining whether an employee's use of the Internet is appropriate, one may ask: "If I were doing this same activity in some other way (e.g. telephone, library, in person, by hand), would this activity be considered inappropriate?" Additionally an employee's use of the Internet should not cause incremental expense to the County, nor should County time be wasted. County time should be spent conducting County business. Employees should not play games, send mass mailings or run private businesses.

The public may access the Internet from County-owned computers at a number of locations. All existing laws and County policies apply to conduct when accessing the Internet on County owned computers, especially those that deal with intellectual property protection, privacy, misuse of County resources, sexual harassment, data security, and confidentiality.

Detailed Internet Policy Provisions:

- World Wide Web access from County-owned computer is filtered by a third-party service in the following categories: Adult content, nudity, sex, gambling, illegal/questionable, proxy avoidance systems, racism/hate, tasteless, and violence. If an employee wants to report a particular web page that they feel should fall into one of these categories, they should contact their immediate supervisor.
- County-owned computers may not be used to download or distribute pirated software or data. Any software or files downloaded via the Internet may be used only in ways that are consistent with their licenses or copyrights.
- County-owned computers may not be used to deliberately propagate any virus, worm, Trojan horse, trap-door, or back-door program code or knowingly disable or overload any computer system, network, or to circumvent any system intended to protect the privacy or security of another user.
- County-owned computers may not be used to knowingly violate the laws and regulation of the United States or any other nation, or the laws and regulations of any county, county, province, or local jurisdiction in any material way.
- County employees shall not install, remove, or otherwise modify any hardware or software for the purpose of bypassing, avoiding, or defeating any filtering, monitoring, or other security measures the County may have in place.
- County employees shall identify themselves honestly, accurately, and completely when corresponding or participating in interactive activities, and shall not send unsolicited mass electronic mail.
- County employees should not automatically assume that any County data or databases are subject to the Freedom of Information Act. There are numerous exclusions to this law and such data or databases may not be uploaded or otherwise transferred to non-County entities without appropriate approvals.

- County employees should not have any expectation of privacy as to his or her Internet usage. It is possible to monitor Internet usage patterns and the County may inspect any and all files stored on County resources to the extent necessary to ensure compliance.
- For County employees, infractions of these policies constitute misuse of County assets and is considered a violation of the Carter County Code of Ethics and may result in disciplinary actions.

Email Usage Policy

Email is to be used for County business only. Confidential information of the County must not be shared outside of the County, without authorization, at any time. The employee is not to conduct personal business using the County computer or email.

The employee should consider this when forwarding non-business emails to associates, family or friends. Non-business related emails waste County time and attention.

Detailed Email Policy Provisions:

- A confidentiality notice should be included on any emails that are disbursed as County business. The notice should read as follows:
Confidentiality Notice: This email message, including any attachments, may contain confidential information and is intended for the sole use of the named addressee. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the named addressee, you should notify the sender immediately by reply email and destroy all copies of the original message.
- Viewing pornography, or sending pornographic jokes or stories via email, is considered sexual harassment and will be addressed according to our sexual harassment policy.
- Any emails that discriminate against employees by virtue of any protected classification including race, gender, nationality, religion, and so forth, will be dealt with according to the harassment policy.
- Sending or forwarding non-business materials is considered a violation of the Carter County Code of Ethics and may result in disciplinary action.
- The employee should be mindful that the County owns any communication sent via email or that is stored on county equipment. Elected or appointed officials or their designees have the right to access any material in the employee's email or on the employee's computer at any time. Electronic communication, storage or access should not be considered to be private if it is created or stored at work.

Theft of Services

A person commits theft of services who:

Having control over the disposition of services to others, knowingly diverts those services to the person's own benefit or to the benefit of another not entitled thereto.

T.C.A. § 39-14-104(2).

As used in the statute, the term "services" is defined to include labor, skill, professional service, transportation, telephone, mail, gas, electricity, steam, water, cable television or other public services, accommodations in hotels, restaurants or elsewhere, admissions to exhibitions, use of vehicles or other movable property.

Any theft of service may be subject to disciplinary action.

Budget Process Overview

Carter County's budget is a tool to carry out the county's law and policy decisions. It allocates the county's General Fund and lottery revenues. Setting limits on other types of revenues and county positions, the budget must be balanced, although it may authorize debt financing for some projects and activities.

The budget covers one fiscal year. The fiscal year runs from July 1 to June 30.

The budget development process has three major phases: Department/Agency Request, Director of Finance's Recommendation and Legislatively Adopted.

Department/Agency Request Budget

Department/Agency start to develop their Agency Request Budget in February. This lays out department/agency finances and policies for consideration by the [Director of Finance](#) to recommend to Budget Committee. The Director of Finance may give departments and agencies guidelines to use in this process. The budget is made up of descriptive text, budget forms, and audited reports. Departments and agencies send their budget requests to the Director of Finance by April 1.

Director of Finance's Recommended Budget

The Director of Finance and Budget Committee review the budget requests. They use the County's priorities, budget policies and current law to make budget decisions. The Director of Finance's document summarizes those decisions. It gives data on all the county's revenues and expenditures. It also gives information on each department/agency's budget.

Legislatively Adopted Budget

The Director of Finance presents the Recommended Budget to the Legislature when it meets at its scheduled July meeting or at a special called session. They hold public hearings to hear from each agency and the public. The budget is presented with the Budget Committee's recommendations. The Legislature votes on the budget and may legislate amendments. Once the budget is adopted it becomes law, and must be forwarded to the State Comptroller's Office for review.

Department/agencies carry out, or execute, the budget over the fiscal budget period. Special sessions may be called to deal with budget issues as necessary or budget amendments can be voted on at a later session.

Budget Glossary

Allotment:	Allotment is used to monitor quarterly spending of an agency. Agencies must submit spending plans to the Finance Department each quarter for approval. Upon approval, the requested funds are made available for expenditure through an allotment.
Appropriated Funds:	A coding structure that reflects revenues and expenditures by funding source and purpose.
Appropriation:	An amount of money approved by the legislature for a certain purpose.
Authorization:	Authorization is the substantive legislation that establishes the purpose and guidelines for a given activity and usually sets a limit on the amount that can be appropriated or spent. The authorization does not provide actual dollars for a program.
Base Budget:	The starting point for budgeting. To budget for the 2003-2004 fiscal year, the base budget begins with the 2002-2003 Legislatively Adopted Budget.
Budget Committee:	The legislative committee with constitutional and statutory authority to make fiscal recommendations for the legislature
Budget Document:	The detailed material prepared under these budget instructions for all phases of budget development.
Capital Outlay:	An expenditure category limited to items that: (i) are not consumed in the usual course of agency operations; (ii) can normally be used more than once; (iii) have a useful life of more than one year; and, (iv) have an initial value of \$10,000 or more.
Construction Costs:	Direct costs, including labor, materials, and equipment rental. For total related costs, see Project Costs.
Debt Service:	Expenditures for principal, interest, discounts, and premiums related to payment of County debt.
Emergency (Contingency) Fund:	A fund from which the County Commission can provide General Fund appropriations to agencies/departments for needs that arise after their budget is approved, or for programs approved but not funded during the legislative session.
Expenditure Limitation:	The maximum amount of an agency may spend. Defined in an agency's budget.

Federal Funds:	Money a state agency receives directly from the federal government. It is spent under a Federal Funds expenditure limitation or as Nonlimited Federal Funds.
Financing Agreement:	Any agreement to finance real or personal property, which is or will be owned and operated by an agency. Includes lease-purchase, installment sale, or loan agreements and Certificates of Participation.
Fiscal Year:	The county government's fiscal year runs from July 1 of one calendar year to June 30 of the next.
General Fund:	Money the legislature can decide to apply to virtually any governmental purpose, agency, or program. Property Tax and Local Option Sales Tax are the main sources of revenues for the fund.
General Obligation Bonds	Tax-exempt government securities used to raise funds to improve and construct buildings or purchase equipment. They are backed by the full faith of the County and its taxing authority.
Interagency (Operating) Transfers:	A transfer of funds between agencies/departments. Agencies must balance all interagency transfers before requesting an audit.
Legislatively Adopted Budget:	The budget approved by the legislature during the regular legislative session. It sets maximum spending and staffing levels. It can be modified by actions of the County Commission or special sessions.
Maintenance:	Keeping property in good operating condition. Does not add value to or extend the economic life of a property. Commonly includes inspecting, calibrating, lubricating, and cleaning. Maintenance costs are categorized as Services and Supplies expenditures.
Restricted Funds:	It is restricted by law to defined purposes. The agency may be allowed to spend it only for a specific purpose. Examples include the drug fund, litter grant, and etc.
Planning Study (in capital budgeting):	Provides enough data for full project development. Normally includes site feasibility, and preliminary design studies. Includes cost estimates and all else that is needed to do a capital project budget request.
Program Unit:	A program unit is a budget structure used to lay out major policy issues and budget information. Agency activities may be grouped into one or more program units.
Project Cost (in capital budgeting):	The total of all necessary costs to construct the complete facility. Includes site acquisition, direct construction costs, furnishings, equipment, and contingencies allowance. Includes all indirect costs, such as design consultants, material testing services, special inspection services, project management, and others.

Real Property Improvements:	Buildings, structures, and the like meant to be permanently attached. Includes sidewalks, landscaping, drives, tunnels, drains and sewers.
Reclassification:	A change of an expense or revenue from one line item to another to more accurately reflect its intended purpose or function
Repairs:	Work done to restore worn or damaged property to normal operating condition. Repairs are usually Services and Supplies expenditures.
Replacement (in capital budgeting):	Putting one facility component in place of another to gain equal or greater performance or economy or to comply with codes. It performs the same function. Usually required by wear or by accidental damage.
Salary Adjustment Allocations:	Money or limitation allocated by the County Commission to fund approved compensation plan increases.
Special Payments:	Budgeted transfers and payments where goods and services are not received in return. Paying out contributions, loans, deposits, or collections. Also, paying federal or state funds to eligible people, cities, counties, quasi-public agencies, and others.
Special Session:	Meeting of the Legislature between regularly scheduled sessions. May be called by the County Mayor or the legislature.
State Agency or Agency:	Variously defined in state statutes. Commonly, a branch, department, division, institution, board, or commission created by state law to carry out duties assigned by law. Agencies range in size from thousands of employees with billion dollar budgets to one employee with a tiny budget. They are funded by license and user fees, state and federal taxes, fines, and fees for service. Most are headed by a statewide elected official. Some report to a board or commission, usually appointed by a statewide elected official.
Total Compensation:	The "total" cost of an employee. This includes salary and benefits (health insurance, dental, life, and etc.)
Unfunded Mandates:	The costs of new work or programs that the state requires of local governments.
Vacancy Factor:	A calculation to project budget savings expected from staff turnover

Budget Preparation

The budget committee in conjunction with the director of finance shall, on or before the first day of February of each year, prescribe the budgetary procedures, forms, calendar and other information as may be necessary to implement the budgetary procedures.

Each department or office of the county government shall submit on request of the budget committee a proposed budget for the succeeding fiscal year and such other budgetary information requested by the director of finance.

The director shall prepare from the information submitted to him a consolidated budget. Such document shall show by item the amounts estimated by the various departments and officials to be required for the efficient operation of the county government from the county general fund, the debt service fund, highway funds, school funds and all other funds.

Such document shall show an estimate of the revenue to be received by each of the funds during the fiscal year and an estimate of the unencumbered fund balance of each of such funds at the beginning of the fiscal year.

The director shall file the consolidated budget with the budget committee.

The budget committee shall review and present the recommended budget to the members of the county legislative body at least 10 days prior to the July meeting.

Such budget shall contain an itemized and classified plan of all proposed expenditures and estimated receipts for the ensuing fiscal year as submitted by each department, office or agency and recommended by the budget committee, and shall conform to the uniform classification of accounts prescribed by the state.

It is expressly provided that the classification of expenditures and receipts of any and all county school funds for any purpose, administered by the county board of education and county superintendent of the schools shall conform to the classification of accounts prescribed by the state commission of education.

The budget committee shall fully provide in the budget for all requirements for debt service, interest and bond maturities and for any cash deficit in any fund at the beginning of the fiscal year, and shall propose a tentative tax rate to fund such budget. The budget committee shall fully provide for any court ordered expenses. The budget, when adopted, shall appropriate funds to fully comply with such court order. The county legislative body shall adopt any budget amendment necessary to implement the provisions of a court order.

Budget Hearings

At least 10 days before the proposed budget is to be presented to the governing body, the budget committee shall cause to be published in a newspaper of general circulation the proposed annual budget.

This budget shall contain a budget comparison for the following funds; general, highway, general purpose school fund, and debt services. The comparison shall display current and prior year results. The budget comparisons shall be by individual fund and shall summarize revenues by local taxes, state of Tennessee, federal government and other sources. Expenditures shall be summarized by salaries and other costs. The budgetary comparison shall also present beginning and ending fund balances and the number of employees.

Such publication shall also contain a notice of a public hearing to be conducted by the budget committee at which any citizen of the county upon 5 days written request shall have the right to appear and state their views on the budget.

The budget committee shall present the budget to the county legislative body at the regular July meeting or at a special called session called for this purpose prior to the regular July meeting.

The proposed budget shall be accompanied by a budget message explaining the financial program and outlining the services, work and activities to be financed by the proposed budget and a brief discussion of the means proposed for financing the expenditure program set forth in the budget.

With the proposed budget, the budget committee shall deliver to the county legislative body a budget appropriation resolution and a tax levy resolution.

The county legislative body may alter or revise the proposed budget except as to the provision for debt service requirements and for the other expenditures required by law.

The county legislative body shall finally adopt a budget in July (may be a continuing resolution).

After the adoption of the budget any county department, agency, or official shall be entitled to a hearing before the county legislative body to justify any proposed additional requests or budget estimates.

The director may make quarterly allotments to any department, agency, or official seeking a budget hearing in an amount not in excess of that approved in the budget for such quarter.

Upon amendment of the budget the director shall make a supplemental allotment or impound the funds of any department, agency, or official to bring such appropriations in line with the amended budget.

The budget, the appropriation resolution, and the tax levy resolution, as adopted, shall be spread upon the minutes of the county clerk.

Targeted Budget Calendar:

- **February 1 – Budget Forms:** budget forms are distributed to all department heads
- **March 15 – Estimate of Revenue:** Director of Finance provides to the Director of Schools and the Highway Superintendent an estimate to be generated by one cent of the county property tax as well as a form tax rate resolution
- **March 15: Estimated Assessed Property Values:** Assessor provides the Director of Finance with an estimate of the actual assessed value of county property
- **April 1: Proposed Departmental Budgets:** Department heads submit proposed budgets to the Director of Finance and County Executive, Director of Schools, and the Highway Superintendent should submit a proposed tax rate sufficient to fund the budget proposal
- **April 28: Publish public notice in newspaper for work shop dates**
- **May 5 and 6: Budget Committee Workshop for outside agencies/charitable organizations**
- **May 12: Budget Committee Workshop for Debt Services, Landfill and etc.**
- **May 19 Budget Committee Workshop for the General Fund**
- **May 30 Budget Committee Workshop for Highway and Education**
- **May 30: Amendments to Proposed Departmental Budgets:** Director of Finance and the Budget Committee as appropriate, must allow amendments of departmental budget proposals
- **June 3:** Distribute copies of consolidated budget to county commission
- **June 3: Publish Proposed Budget in Local Newspaper with Public Hearing Notice**
- **June 10:** Distribute copies of proposed budget to all commissioners along with proposed budget and tax rate resolutions
- **June 14: Conduct Public Hearing**
- **June 20 Publish not-for-profit funding in local newspaper**
- **June 23: Vote on the adoption of the budget**

County Budget Amendment Policy

Finance Department will notify Department Head in writing when any line item is about to run over the budgeted amount. The notification will be forwarded to the Budget Committee and the official will be asked to present a budget amendment at the next scheduled meeting or a special called meeting in the event of an emergency. The Director of Finance will work with the Department Head on possible funding options for the proposed amendment and develop a recommendation to be presented to the Budget Committee. Any recommendation should include the following information:

- Amount of overage, current and projected for the remainder of the fiscal year
- Funding options
 - Line item transfer (no new money)
 - Proposing a new revenue source or a change in existing fees to offset cost
 - Potential use of fund balance

Any pending purchases will be restricted to not exceed 5% of the total budgeted line item until a proposed amendment has been presented to the Budget Committee for Approval.

School Board Budget Amendment Policy

The Finance Department will notify the appropriate Supervisor in writing when any line item is about to run over the budgeted amount. The notification will be forwarded to the School Board and the supervisor will be asked to present a budget amendment at the next scheduled meeting or a special called meeting in the event of an emergency. The Director of Finance will work with the Supervisor on possible funding options for the proposed amendment and develop a recommendation to be presented to the School Board. Any recommendation should include the following information:

- Amount of overage, current and projected for the remainder of the fiscal year
- Funding options
 - Line item transfer (no new money)
 - Proposing a new revenue source
 - Potential use of fund balance

Any pending purchases will be restricted to not exceed 5% of the total budgeted line item until a proposed amendment has been presented to the Budget Committee for Approval.

Upon ratification by the Board of Education, the amendment will then be forwarded to the Budget Committee and legislative body for approval. This policy is in compliance with TCA 49-2-301(w)(ii), TCA 5-9-407(b), and AG Opinion No. 04-098 Question #4, and Carter County Board of Education Policy 2.201.

Fixed Asset Management Policy

The County will establish a property accounting system to:

1. Maintain a perpetual inventory of county-owned tangible personal property (capital equipment) and infrastructure.
2. Maintain control of location, use and disposition of capital equipment and infrastructure.

Definitions and Exclusions

1. Capital equipment - readily identifiable items of furniture, fixtures, office machines, communication equipment, vehicles, tools and like items having a useful life of more than one (1) year and a cost of \$10,000 or more.
2. Infrastructure - Long-lived assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets.
3. Infrastructure Improvements - Capital events that materially extend the useful life or increase the value of the infrastructure, or both.
4. Cost - acquisition or procurement cost, i.e. invoice price plus freight and installation charges. In determining cost, the value of property exchanged by a governmental unit in satisfaction of a portion of the purchase price of the new property shall not be deducted from the price which would have been paid had the previously owned property not been traded in on the new property. Equipment obtained by donation should be recorded at fair market value.
5. Depreciation - Depreciation is the process of allocating the cost of tangible property over a period of time, rather than deducting the cost as an expense in the year of acquisition.
6. Depreciation - Method- It is recommended that all departments use the straight-line depreciation method. Straight-line depreciation is calculated by dividing the acquisition cost net of any salvage value by the useful life (in months) starting with the month that the asset is acquired.
7. Custodian - person to whom custody of property has been delegated.
8. Disposition - The act of disposing of a fixed asset: lost, stolen, discarded, surplus, traded-in or transferred.
9. Exclusions - Items that form a part of a building and are permanently attached, such as toilets, sinks, built-in stoves, furnaces, etc., do not require separate accounting as set forth in this policy. Consumable items and components of vehicles without which the vehicle cannot function or items used to repair or maintain fixed assets are further

excluded from this instruction. Items that become part of other equipment but can be transferred between pieces of equipment should be included as capital equipment as defined in (1) above.

10. Identification number - the unique number assigned and affixed to each item of capital equipment to identify it as property of the County.
11. Property records - means of identifying and locating capital equipment, active and inactive, through the use of the property control cards or other readable means, manual or electronic.

Capital Equipment or Infrastructure

The County will account for assets as follows:

1. Land - Recorded at acquisition cost. Land acquired as a gift shall be recorded at appraised value when acquired. Land is capitalized but not depreciated.
2. Land Improvements Making land ready for its intended purpose.
 - Two Categories:
 - Inexhaustible- improvements that are not exhaustible or that are used up so slowly that the estimated useful life is extraordinarily long (grading of land), shall not be depreciated.
 - Exhaustible- improvements that are exhaustible (parking lots, fencing), shall depreciate if over threshold.
3. Buildings - Recorded at acquisition cost or construction cost and depreciated if over set threshold. The different component units (roofing, HVAC System) have different useful lives that will be used as the depreciation base, therefore a detail of the units are required. If acquired as a gift, record at appraised value at the time of acquisition.
4. Building Improvements - If the improvements extend the useful life of the asset, they shall be capitalized.
5. Infrastructure - Must determine historical cost and depreciate.

To determine historical cost:

For roads and bridges use the approximated dates the roads/bridges were built and use the highway price trends index to deflate the estimated replacement cost, as provided by DOTD, to the estimated historical cost at the time of original construction. The web site for the Highway Price Trend Index information is www.fhwa.dot.gov/ohim/hs99/tables/pt1.pdf

In the alternative County Technical Services may provide assistance in determining

historical cost for roads and bridges.

For other infrastructure use the initial capitalization amount or if this amount cannot be used because of inadequate records, use estimated historical cost

Donated infrastructure (i.e. through developers, annexation, etc.). establish and record a fair value for the donated asset.

6. Infrastructure Improvements Capitalized as a betterment and recorded as an addition of value to the infrastructure if the improvement or addition of value is at the capitalization threshold or increases the life or value of the asset by 25 percent of the original cost of life period.
7. Construction in Progress - Capitalized but not depreciated. CIP is reported with land and other non-depreciating assets.
8. Machinery and Equipment - Recorded at time of acquisition. They should be identified and inventoried regularly.
9. Vehicles - Recorded at time of acquisition. They should be identified, inventoried, and depreciated if above threshold.
10. Easements Recorded only if they are permanent easements.
11. Works of Art and Historical Treasures

Two Categories:

 - Inexhaustible Art that appreciates in value is recorded at historical cost. Depreciation is not required on these items.
 - Exhaustible Depreciation is required on these items.

Thresholds Levels (1) for tracking and inventory purposes and (2) for capitalizing and depreciating:

	Tracking and Inventory	Capitalize and Depreciate
Land	\$1	Capitalize
Land improvements	\$1,000	\$10,000
Building	\$1,000	\$10,000
Building Improvements	\$1,000	\$10,000
Construction in Progress	\$1,000	Capitalize only
Machinery and Equipment	\$1,000	\$10,000
Vehicle	\$1,000	\$10,000
Infrastructure	\$25,000	\$50,000

Each department is responsible for an internal property control accounting system for items with a unit value of less than \$10,000.

Responsibilities

The responsibility for controlling and accounting for fixed assets within each department is assigned to each department head. As the primary property custodian, the department head is responsible for all property in their custody. The department head may, in turn, delegate this responsibility to an individual in the department. The department head shall appoint this individual as the property custodian, in writing. Appointment letters will be maintained in the Finance Department.

All changes in property custodians shall be reported to the Chief Financial Officer in advance of the change.

Each department shall accomplish a complete inventory of fixed assets annually. Additionally, prior to any change in property custodians the department head or his designee must accomplish an inventory. Upon completion of this inventory, the responsibility for all departmental assets shall be formally transferred to the new property custodian. The department head shall resolve any and all discrepancies within the property account.

Maintenance of Fixed Asset Forms

1. Each custodian shall maintain adequate property records, including a *Fixed Asset Form* (Exhibit I) for each property item.
2. Each property item shall be accounted for separately. However, related individual items which, taken as a whole to constitute a single functioning system, may be accounted for on one *Fixed Asset Form* if the component items are separately identified on the form. Examples of property subject to group accountability include, but are not limited to, such items as modular furniture, computer components and book sets.
3. Each *Fixed Asset Form* shall, as applicable, include the following information:
 - a. Identification tag number.
 - b. Specific description of the item including year, make, model, color, etc.
 - c. Serial or VIN number.
 - d. Date of acquisition.
 - e. Method of acquisition.
 - f. P. O. number.
 - g. Specify if acquired *new* or *used*.
 - h. Location.
 - i. Estimated useful life.
 - j. Cost or value at date of acquisition.
 - k. Salvage value.
 - l. Funding source.
 - m. Custodian in charge.

- n. Vendor and/or manufacturer.
 - o. Date the items were last physically inventoried and the condition of the item at that date.
4. The Finance Department shall maintain control records which will allow the following reports to be produced (this applies to all fixed assets, including computer equipment and infrastructure):
- a. Master Listing of all County Fixed Assets (includes those which have been discarded, sold, stolen, or lost).
 - b. Master Listing of all County Fixed Assets Currently in Use.
 - c. Departmental Listing of Fixed Assets (includes those that have been discarded, sold, stolen, or lost).
 - d. Departmental Listing of Fixed Assets Currently in Use.

Acquisition of Property

Procedure: Upon acquisition of new items of capital equipment either by purchase, transfer from another department or donation from an outside source, the receiving department shall record custody and if practicable permanently mark each item to establish the identity of the department in possession of this equipment.

1. Method of Marking

The Finance Department shall issue sequentially numbered identification tags to each department.

Each department will affix an identification tag to each item of property as explained below.

Exemptions - any item of property whose value would be significantly impaired by the attachment of the identification tag is exempted from the physical-marking requirement. However, the *Fixed Asset Form* must contain sufficient descriptive data to permit positive identification of such items.

2. Location of Marking

Items of similar nature shall be consistently marked to facilitate ready identification of the items. Careful consideration should be given to the intended use of the item and the probability that the marking could be obliterated by wear, vandalism, or by routine maintenance function(s). Location of markings should be as follows:

- a. Desks and tables - front of left leg just below the top surface.
- b. Chairs - back of chair seats.
- c. File, cabinets, lockers, racks, etc., - front top, left corner.
- d. Rugs - attached to the reverse side of a corner.

- e. Office machines and accessories, upholstered and decorative furniture, etc. - attached where convenient but so as not to mar the appearance of the item.
- f. Radios, drills, hand tools, automotive, road equipment, etc. -affix where easily visible and yet not subject to obliteration.

3. Recording custody of each property item

In addition to marking of an item, a *Fixed Asset Form* shall be completed in accordance with the section on "Maintenance of Fixed Asset Forms". A copy of each newly completed form shall be forwarded to the Finance Department before the last day of the month.

Disposition of Property

1. Method of Disposition

Property, which is obsolete or serves no useful function, may be classified as surplus. Surplus material is stored and inventoried at a designated location. The disposition procedure is as follows:

- a. A department representative shall forward a completed *Property Disposition Form* (Exhibit II) to the Finance Department to identify the specific property declared for disposition.
- b. The department shall recommend a course of action (sell at auction, make available for transfer to another department, scrap, etc.)
- c. The department shall estimate the property's condition and state its value and/or minimum auction amount if appropriate.
- d. Once the *Property Disposition Form* is received and approved by the Finance Department, the department originating the form will be notified where and when to deliver the surplus item(s).

2. Identification Tag Number. Tags shall be removed and destroyed from discarded, surplus, and transferred property by the transferring department.

3. Transfer of Fixed Assets (property)

The department receiving a transferred fixed asset shall:

- a. Affix a new identification tag number.
- b. Complete the *Property Transfer Notification Form* (Exhibit III) and forward a copy of the completed form to the Finance Department before the last day of the month.

Inventory Procedure

1. Physical Inventory

Once each year as scheduled by Finance Department, and whenever there is a change in custodian, each custodian shall inventory all property classified as capital equipment on the custodian's inventory record. This is the process of actually determining by sight that the specific items exist and are in the location specified in the *Fixed Asset Form*.

2. Inventory Form

A physical inventory of County property will be recorded using a *Fixed Asset Form*. Each form shall display, at a minimum, the following information:

- a. Identification tag number.
- b. (1) General description of the property item.
(2) Specific description of the item including year, make, model, color, etc.
- c. Serial or VIN number.
- d. Date of acquisition.
- e. Method of acquisition.
- f. P. O. number.
- g. Specify if acquired *new* or *used*.
- h. Location.
- i. Estimated useful life
- j. Cost or value at date of acquisition.
- k. Salvage value.
- l. Funding source.
- m. Custodian in charge.
- n. Vendor and/or manufacturer.
- o. Date the items was last physically inventoried and the condition of the item at that date.

3. Unrecorded Property

Any property item found during the conduct of an inventory which meets the definition of capital equipment and is not included on the inventory form described above, shall be recorded immediately on a *Fixed Asset Form* as noted in paragraph 2 above, then forwarded to the finance department.

4. Reconciliation of Inventory to Property Records Upon completion of the physical inventory:

- a. The data listed on the inventory forms shall be compared with the individual property records. Noted differences such as location and condition shall be investigated and corrected as appropriate or, alternatively, the item shall be relocated to its assigned location.
- b. Items not located during the inventory process shall be promptly reported to the custodian who shall investigate the discrepancy. If the item is not located as a result

of the investigation, the individual record shall be so noted and a report filed with the Police Department describing the missing item and the circumstances surrounding the disappearance. These items shall not be removed from the property records pending the location or approval of disposition.

- c. A copy of the reconciled and verified property listing shall be forwarded to the Finance Department for reconciliation with the control records.

Fixed Assets ô Depreciation Schedules

Asset Type	Depreciable Life
Land Improvements	40 years
Buildings	40 years
Building Improvements	40 years
Machinery & Equipment	10 years
Vehicles	5 years
Buses/Heavy Trucks	10 years
Infrastructure	40 years

Exhibit 1

Fixed Asset Record

General Description of Property Item

A. Identification tag number _____

B. Specific Description

_____ year _____ make _____ model _____ color _____

C. Serial or VIN number _____

D. Date of acquisition _____

E. Method of acquisition _____

F. Purchase order number _____

G. Specify if acquired new or used _____

H. Location _____

I. Estimated useful life _____

J. Cost or value at date of acquisition _____

K. Salvage value _____

L. Funding Source _____

M. Custodian in charge _____

N. Vendor and/or manufacturer _____

O. Date the items were last physically inventoried and condition at that date:

1 _____	6 _____	11 _____
2 _____	7 _____	12 _____
3 _____	8 _____	13 _____
4 _____	9 _____	14 _____
5 _____	10 _____	15 _____

Exhibit 2

Disposition of Fixed Asset

General Description of Property Item

A. Identification tag number _____

B. Specific Description

_____ year _____ make _____ model _____ color

C. Serial or VIN number _____

D. Recommended Method of Disposition

E. Salvage value _____

F. Custodian in charge _____

G. Vendor and/or manufacturer _____

H. Date removed from inventory _____

Exhibit 3

Property Transfer Notification Form

General Description of Property Item

A. Identification tag number _____

B. Specific Description

year_____
make_____
model_____
color

C. Serial or VIN number _____

D. Current Asset Value _____

E. Transferring Department and Supervisor Signature

F. Receiving Department and Supervisor

Signature _____

G. Date transferred from inventory _____

Internal Controls

The Carter County Financial Management Committee recognizes that internal controls are one means by which a county government can achieve its objectives. They are checks and balances to support the Committee's mission and to help prevent fraud, waste and abuse. In fact, internal controls are the first line defense to prevent and detect fraud. Carter County, like all local governments, needs internal controls to:

- Ensure mission accomplishment
- Reduce opportunities for fraud
- Prevent loss of funds or other resources
- Establish standards of performance
- Assure compliance with laws, regulations, policies, and procedures
- Preserve integrity
- Eliminate adverse publicity
- Ensure public confidence
- Protect County assets
- Promote effectiveness and efficiency of operations
- Ensure reliability of financial reporting
- Stay in compliance with applicable laws and regulations

Key Elements of the Carter County Financial Management Committee's Internal Control Policy include the following principles:

1. **Separation of Duties:** Duties shall hereafter be divided so that no one person has complete control over a key function or activity of the county.
2. **Authorization and Approval:** Proposed Transactions will be authorized only when they are consistent with policy and funds are available.
3. **Custodial and Security Arrangements:** The responsibility for custody of assets shall be separated from the related recordkeeping.
4. **Review and Reconciliation:** Records shall be examined and reconciled to determine that transactions were properly processed and approved on a regular and timely basis.
5. **Physical Controls:** Equipment, inventories, cash and other assets shall be secured physically, counted periodically and compared with amounts shown on control records.
6. **Training and Supervision:** Employees shall be well trained and supervised to ensure that control processes function properly.
7. **Documentation:** Well documented policies and procedures shall be adopted to promote employee understanding of job duties and to help ensure continuity during employee absences or turnover.
8. **Cost/Benefit:** It shall be the goal to ensure that costs associated with control processes shall not exceed the expected benefits.
9. **Information:** The information and communication component of internal controls relates to the financial reporting process and, in particular, the accounting system and underlying

transactions. It consists of the records and methods established to identify, capture and exchange information in a form and time frame that enables people to carry out their responsibilities effectively, and to maintain accountability for related assets and liabilities. The information system produces reports containing operational, financial and compliance-related information that make it possible to run and control the county finances. Reports that are produced should be utilized in the decision-making process. Failure to utilize these reports can be detrimental to the decision making of the county as a whole.

Internal Control Responsibilities and Organizational Hierarchy

Within the structure of Carter County government the Financial Management Committee selects the Director of Finance, who serves as the chief financial officer of the county. The Director of Finance shall have the authority to supervise adherence of the financial operation of the county. County elected officials, School Board officials, department heads, and supervisors are responsible for establishing specific internal control policies and procedures as is appropriate for their office. Every employee is responsible for ensuring that established internal controls are followed and applied.

Elected officials and department heads at all levels of the county are responsible for ensuring that an appropriate and effective control environment is in place in their areas of responsibility. All County personnel are responsible for communicating upward observed or suspected problems involving fraud or other improprieties involving county resources. Supervisors will evaluate the effectiveness of control systems, monitor control systems, and contribute to the ongoing effectiveness of control systems. Throughout the process, management has been taught that the costs of control should never be allowed to exceed their benefits.

External county auditors from the Tennessee Comptroller's Office will be utilized to review control systems for the impact they have on financial reporting and compliance with requirements of external agencies. Carter County also utilizes an Audit Committee to discuss and remedy the findings resulting from the audit of the Comptroller's Office.

Monitoring

On at least an annual basis all policies and procedures are reviewed and assessed in order to determine whether or not they are working as intended or if they should be modified by the Financial Management Committee. All such policies and procedures shall be in strict compliance with federal, state, and local laws.

Controls for Cash Receipts

The Finance Department does not handle a great deal of cash. However, there are certain control procedures that are employed. They include:

1. **Individual Accountability:** One employee of the Finance Department shall be designated as the person to handle all cash and distribute receipts. In the event of that person's absence, the Director of Finance will assume that role.
2. **Control of Forms:** Receipts are issued in triplicate on pre-numbered forms that are labeled with Carter County Department of Finance on each. These are kept in the custody of the designated employee.

3. Timely Recording and Deposit: Immediately upon acceptance of cash, the designated employee will issue a pre-numbered receipt. Deposits are made with the Trustee daily so that there will be no violation of the three (3) day deposit rule. If for some reason the deposit cannot be made on the same day, a lock box is then used to secure the asset until the next morning when the deposit can be made.
4. Segregation of Duties: Reconciliation of cash per Trustee's Report to cash in system is undertaken at least once a month by an employee who is independent of the cash collection or enforcement functions.

Controls for Cash Disbursements

Cash is disbursed frequently in the Finance Department through two primary means of vendor and payroll checks. The following are utilized for effective internal controls for cash disbursements:

A. Vendor Checks

1. Goods Received: Goods are received and signed for payment approval within the various departments. The invoice or packing slip must be signed by the appropriate office holder/department head before payment is issued.
2. Payment Processing: Upon receipt of a payment request/invoice, the Finance Department will review the documentation to ensure its accuracy. Purchase order, invoice, signature for payment approval, etc. will all be checked for completion before payment is issued.
3. Check Issuance: Once completion is verified, the Finance Department will process checks to be disbursed. A Batch Release Form is then completed and sent to the Trustee's Office for approval. The Trustee's Office then verifies the availability of funds in each fund and releases the checks for disbursement through the signing of the Batch Release Form. Upon receipt of the approved Batch Release Form, the Finance Department will then release the checks directly to the vendors.

B. Payroll Checks

1. Time Management: Each employee will create a timesheet for the period of time covered under the designated payroll. That timesheet must reflect the hours work for that time period and be signed for approval by the employee and the appropriate officeholder, department head, or supervisor.
2. Payroll Verification: Upon notification from the officeholders or department heads, the Finance Department will review for accuracy, completion, and approval. Leave balances and hours worked will be verified as well as proper approval of said document. Since the General County Payroll system is not lagged, the following will be required of County employees. Part-time employees must first submit a completed approved timesheet to payroll prior to processing. Full-time or salaried employees must submit a completed approved timesheet upon obtaining their payroll document on said pay date.

3. Payroll Processing: Once the documentation is verified, the Finance Department will then process the payroll for disbursement.
4. Check Issuance: Upon completion of the payroll processing, a Batch Release Form is then completed and sent to the Trustees' Office for approval. The Trustees' Office then verifies the availability of funds in each account and releases the checks for disbursement through the signing of the Batch Release Form. Once the approved Batch Release Form is received, the Finance Department will then release the checks to the employees through designated distribution sites.

C. Other Cash Disbursement Controls

1. Check Stock and Signature Plates: The control of the blank check stock and signature plates lies with the Finance Department. Both are secured nightly to protect against unauthorized use.
2. Segregation of Duties: Reconciliation of cash per Trustees' Report to cash in system is undertaken at least once a month by an employee who is independent of the signing and releasing of funds. Also, different employees are responsible for processing payroll, distributing payroll, and reconciling payroll so that no one employee handles a transaction from start to finish.
3. Reports to Departments and Legislative Bodies: Each month, reports will be given to the appropriate departments as well as the appropriate legislative bodies that show comparisons of expenditures to budgets. Detailed reports are available upon request.

Additional Internal Controls

1. Policies and Procedure Manual: The Financial Management Committee maintains the Carter County Financial Policies and Procedure Manual. This manual contains all of the policies and procedures specific to county operations. All policies and procedures shall be in strict compliance with federal, state, and local laws.
2. Uniform Accounting System: The County adheres to the Tennessee Comptroller of the Treasury's most recent County Uniform Chart of Accounts. A complete self-balancing account group shall be created and maintained for each fund established in the County.
3. Records Management: The following records are maintained in the Finance Department:
 - a. Copies of the budget and any supplemental appropriations and/or amendments.
 - b. Personnel files with supporting documents for payroll and benefits.
 - c. Copies of bond documents and revenue anticipation notes as well as their associated resolutions and retirement schedules.
 - d. Authorizations of loans and transfers between funds.
 - e. Summaries of action taken on competitive bids.
 - f. Copies of contracts entered into by the county.

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4. Employee Handbooks: Carter County has an Employee Handbook as well as a Civil Service Handbook for County employees that are both utilized as part of the record system of the County. The Board of Education also has an Employee Handbook for which Board of Education employees are accountable to.
 5. GASB Compliance Records: All accounting procedures relative to GASB compliance shall be maintained as public record. All policies, thresholds, schedules, and other related documents relative to GASB compliance shall be part of the record system of the County.